

# Guidance for AA1000AS (2008) Assurance Providers

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## Purpose of this guidance

This guidance is for the use of Assurance Providers who provide assurance in accordance with AA1000AS (2008). It is non-binding and is intended to provide guidance on good practice and to enable a more detailed understanding of sustainability assurance.

This guidance is one of three guidance documents that support the AA1000AS (2008). The other two are 'Guidance for Reporting Organisations Seeking Assurance to AA1000AS (2008)' and 'Guidance for users of AA1000AS (2008) Assurance Statements'.

The standards and supporting documents can be freely downloaded from [www.accountability21.net/aa1000series](http://www.accountability21.net/aa1000series)

## A. Guidance for Assurance Providers

### A.1 Purpose of the AA1000AS (2008)

The purpose of AA1000AS (2008) is to provide assurance of more than just the reliability of information. The purpose is also to evaluate the nature and extent of an organisation's adherence to the AccountAbility Principles. The two types of AA1000AS (2008) assurance emphasize this distinction.

The starting point of AA1000AS (2008) assurance is always public disclosure. Transparency is a fundamental element of being an accountable organisation. However, assurance according to AA1000AS (2008) needs to go beyond what is reported and examine the systems and processes that underpin it.

AA1000AS (2008) is for immediate use, however, statements using the AA1000AS (2003) will be accepted until January 2010 when the 2003 edition will be withdrawn.

## A.2 Using the AA1000AS (2008)

### 2.1 Types of AA1000AS (2008) engagement

There are two types of AA1000AS (2008) sustainability assurance.

**Type 1** evaluates the nature and extent of adherence to the AA1000 AccountAbility Principles (AA1000APS 2008). This is assurance of organisational behaviour. It uses disclosed information as its starting point but investigates the underlying systems, processes and sustainability performance information to arrive at its conclusions.

In a Type 1 assurance engagement the assurance provider takes sustainability performance information into consideration in order to evaluate adherence to the principles. However, verification of the reliability of that information only takes place in a Type 2 engagement.

In a **Type 2** assurance engagement the assurance provider gives findings and conclusions on the AccountAbility Principles and also verifies the reliability of specified reported sustainability performance information. To verify the reliability and accuracy of performance information the assurance provider will also need to look at underlying systems, processes and data.

In a Type 2 engagement the work relating to the principles and that relating to performance information is performed simultaneously. The anticipated outcomes of the work relating to performance information can feed into the opinion on the principles.

AA1000AS (2008) cannot be used only to provide verification of sustainability performance information. It must include an evaluation of the nature and extent of adherence to the AA1000APS AccountAbility Principles (2008).

Although AA1000AS (2008) is designed for external assurance based on public disclosure it may also be used by internal assurance providers. Internal assurance can be useful for organisational learning and can usefully support external assurance.

### 2.2 Levels of AA1000AS (2008) assurance

The intent is for AA1000AS (2008) to provide a frame that does not exclude but complements and accommodates other assurance practices such as those of International Standard on Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) as well as national assurance standards.

High and moderate assurance levels are designed to be consistent with reasonable and limited assurance respectively as articulated in ISAE 3000 (2003) and the overarching IAASB Framework for Assurance Engagements.

Assurance providers who are obliged to use assurance standards issued by (inter)national accounting bodies can do so within the context of an AA1000AS (2008) assurance engagement.

### **2.3 References to the use of the standard**

Only assurance engagements that have been conducted according to the requirements of the standard and have published an assurance statement that meets the requirements of the standard will be able to claim that assurance has been provided in accordance with AA1000AS (2008). These statements will be eligible for inclusion on the CorporateRegister.com list of AA1000AS (2008) assured reports. It is good practice for users of the standard to notify CorporateRegister.com.

CorporateRegister.com will continue to list assurance statements that are in accordance with AA1000AS (2003) until the end of December 2009. From January 2010 it will only include statements that are in accordance with the AA1000AS (2008).

### **2.4 Relationship to other standards and guidance**

AA1000AS (2008) is designed to complement and enhance the use of guidelines for sustainability reporting and to be applicable within the context of other relevant performance, systems and process standards, guidelines and assurance frameworks.

Given that this is an overarching standard it is to be expected that during an assurance engagement a range of other standards will be cited. Assurance providers will look for standards and guidelines that provide

- suitable sustainability performance criteria,
- indicators supported by appropriate protocols,
- suitable systems and process criteria and associated certification programs,
- product and labelling criteria and associated certification programs,
- procedures that supplement the requirements and guidance in this standard,
- benchmarks that can be used to evaluate adherence to the principles and performance,
- evidence of commitment to principles or codes of practice.

Where other standards have their own certification or verification programs, certificates or verification statements from these programs may be included as evidence by assurance providers.

### A.3 Accepting an AA1000AS (2008) Engagement

The assurance provider decides whether to accept an engagement and whether it is possible to use the AA1000AS (2008). This decision recognises that assurance is an iterative process and that the report preparer will often make changes in response to the preliminary findings of the assurance provider. It is therefore important to evaluate the report preparer's capacity and willingness to respond to these findings during the assurance process. The assurance provider must make itself fully aware of any limitations and the potential assurance engagement risk.

It is also important to understand that the sustainability assurance process is not an end-of-pipe process; that is, it does not happen after the report has been written. Assurance is often an ongoing process that takes place during the period of information gathering, and report preparation and completion. For some organisations assurance begins 6 - 8 months before the publication of a report.

#### 3.1 Scope of the engagement

The scope of the engagement will be either Type 1 or Type 2 (see 2.1 above). If it is Type 1 the assurance provider uses public disclosures as the starting point but is not limited by these. For Type 1 assurance it is the duty of the assurance provider to investigate and challenge, for example, the mapping of stakeholders, the range of issues determined to be material, the organisational boundaries drawn, and the limits to the organisation's disclosures.

In a Type 2 engagement the work relating to the principles and that relating to performance information is performed simultaneously. The anticipated outcomes of the work relating to performance information can feed into the opinion on the principles.

While it may be preferable to assure sustainability performance information for all material issues, for Type 2 assurance it is acceptable for an assurance provider to assure specified sustainability performance information. When this is done the assurance statement states why the given performance information was selected and how this relates to the determination of material issues and the expectations

of stakeholders (or refers to the organisation's disclosures regarding the scope of the engagement).

It is important to understand how the intended audience of the assurance statement has influenced the scope of the engagement. This will be more complex when an assurance engagement includes different forms of disclosure rather than a single report. Identifying the intended audience can help an assurance provider understand and evaluate the inclusion or exclusion of information in the public disclosures. Understanding the audience provides an argument for why certain performance information has been specified in a Type 2 assurance engagement.

It is also important to understand the effects of a limitation in the organisational boundary on the scope of the report. Using the GRI boundary protocol is useful and acceptable. The assurance provider evaluates the suitability of criteria for defining the reporting boundary to determine if they ensure inclusion of all material economic, social and environmental impacts of the organisation, including where relevant those not directly under its control such as joint ventures, suppliers, contractors and products. If an assurance provider concludes that the applied boundary does not capture all material impacts, its findings in this respect are included in the assurance statements.

### **3.1.1 Disclosures covered**

It is acceptable to include in an assurance engagement more than one source of disclosure (e.g. a group level report, a single issue report, web-based information). When doing so, the assurance provider needs to ensure that any assurance statement attached to any single disclosure is clear about the disclosure the statement refers to. The assurance provider places any assurance provided within the context of overall organisational adherence to the AccountAbility Principles.

### **3.1.2 Suitable Criteria**

The assurance provider needs to establish which criteria to use in the assurance engagement.

The criteria for evaluating the nature and extent of adherence to the AccountAbility Principles are found in AA1000APS (2008). These are the criteria that must be used.

Suitable criteria for the sustainability performance information subject to assurance are the responsibility of the reporting organisation. They may choose to make use of generally-accepted, publicly developed criteria (which are preferred) and/or proprietary or internally developed criteria (internal reporting guidelines). The former are preferable as comparability between company sustainability performance is difficult to achieve when there are variations in how the information is compiled and presented. Criteria need to be publicly available even if specifically developed. If the criteria are not publicly developed this is a limitation and should be acknowledged in the assurance statement.

Organisations may find suitable criteria in reporting guidelines such as GRI G3, in systems standards such as ISO 14001, BS8900 or SA8000, in issue specific standards such as the various sustainable forest management standards, the fair trade labelling guidelines, labour standards, human rights declarations or principles for countering bribery. It is important to be as explicit as possible about the criteria.

Sustainability reports often include opinion/perception data. This may raise issues of validity rather than simply accuracy of data. There may be a need to look at survey methodologies to see that they are valid and that the stated results meet agreed standards for validity.

The criteria are agreed with the reporting organisation before the engagement begins.

### 3.1.3 Level of assurance

It is acceptable to obtain different levels of assurance for different parts of the assurance engagement. For example, the assurance provider may obtain only a moderate level of assurance for the evaluation of adherence to the principles and a high level of assurance for the evaluation of sustainability performance

information e.g. greenhouse gas emissions. Or, the assurance provider may obtain a high level of assurance for performance information on water usage but only a moderate level of assurance for performance information on supply chain working conditions.

It is important to clearly state in the assurance statement what level of assurance has been obtained and for what.

### 3.2 Independence and Impartiality

The minimum requirements for independence and impartiality set out in AA1000AS (2008) provide a frame within which claims of independence can be made and defended. Some professions and organisations may have differently formulated tests of independence e.g. the IFAC's Code of Ethics for Professional Accountants and the CSAP Code of Practice. These are appropriate frameworks to evaluate threats to independence, evaluate the significance of threats and, if those threats are other than clearly insignificant, identify and apply safeguards to eliminate the threats or reduce them to an acceptable level, such that independence is not compromised. These or other frameworks may be applied as long as the assurance provider meets the requirements of AA1000AS (2008).

### 3.3. Competence

Individual practitioners and organisational providers need to be able to demonstrate and defend their competencies.

#### 3.3.1 Assurance practitioner competence

The standardisation and evaluation of practitioner competence draws on the qualifications and competencies developed by existing disciplines. However, sustainability assurance is a distinct discipline and is best served by a distinct set of competencies (acknowledging that it draws from other disciplines).

Assurance practitioner competency requirements reflect both the technical abilities of the practitioner and their underlying commitment to furthering sustainable development outcomes. Ethical values associated with this latter

commitment should deepen and reinforce professionalism and effectiveness. Such ethical values include, but are not restricted to, integrity, objectivity, professional competence, due care and professional behaviour.

Sustainability Assurance Practitioner competence is currently codified and certified in the Certified Sustainability Assurance Practitioner (CSAP) program administered by IRCA ( [www.irca.org](http://www.irca.org) ).

### 3.3.2 Assurance provider competence

Providers need to ensure they have the full range of competencies required across the team of practitioners. This is why sustainability assurance is usually conducted by a team rather than an individual. The team is likely to have knowledge, experience and skills in the following:

- auditing;
- the subject matter of the examination;
- management and information systems;
- external reporting and reporting standards, as well as the relevant social and political issues.

#### *Knowledge of auditing may include:*

- Knowledge of, and experience in, providing assurance on information other than financial information in general and in the field of sustainability reporting in particular, including the application of the relevant accountancy and non-accountancy assurance standards.
- Knowledge of the sector.
- Familiarity with the social environment of the reporting organisation.

#### *Knowledge of subject matter*

- Knowledge of environment issues and of the associated technical risks.
- Knowledge of the social and economic aspects considered, or which should be considered, by the sustainability report.

- Knowledge of current environmental, social and/or employment legislation, as well as of sectoral, national and/or international agreements, rules, conventions and/or protocols.
- Knowledge of sustainability risks in the relevant chain, associated standards and international developments.

*Knowledge of management and information systems*

- General understanding of relevant management systems, such as environmental management systems or health and safety systems, as well as of the relevant standards, such as ISO 14001 and SA 8000;
- Knowledge and experience of assessing the adequacy of internal information systems for collecting and reporting on the intended information, including the internal control aspects.

*Knowledge of external reporting and reporting standards, as well as of the relevant social and political issues*

- Knowledge of the relevant standards for external reporting, such as the GRI's "Sustainability Reporting Guidelines", and other comparable national or international reporting standards and recommendations.
- Understanding of the current major social and political issues in the area of sustainable development, both national and international.
- Understanding of the opinions, views and interests of intended users, including their legitimate information needs.
- Familiarity with the social environment of the reporting organisation.

The leader/manager of the assurance provider team needs to be adequately qualified and experienced. A Lead CSAP qualification is an example of such competence. Organisational provider accreditation does not currently exist for sustainability assurance providers.

### 3.3.3 Using the work of an expert

The subject matter and related criteria of some assurance engagements may include aspects requiring specialized knowledge and skills in the collection and/or evaluation of evidence. In these situations, the assurance provider may decide to

use the work of persons referred to as experts, who have the required knowledge and skills.

When the work of an expert is used in the collection and evaluation of evidence, the assurance provider and the expert should, on a combined basis, possess adequate skill and knowledge regarding the subject matter and the criteria for the provider to determine that sufficient appropriate evidence has been obtained.

The assurance provider should be involved in the engagement and understand the work for which an expert is used, to an extent that is sufficient to enable the assurance provider to accept responsibility for the conclusion on the subject matter information.

The assurance provider should obtain sufficient appropriate evidence that the expert's work is adequate for the purposes of the assurance engagement.

### 3.4 Due care

The requirement for due care is based on existing requirements in other professions. Other tests for due care may be used when required as long as the AA1000AS (2008) requirements are met.

### 3.5 Engagement Agreement (contract)

The minimum criteria for an engagement letter are set out in the AA1000AS (2008).

A best practice engagement agreement would include:

- objectives, including the intention to provide assurance in accordance with AA1000AS (2008)
- responsibilities of reporter and assurance provider
- subject matter
- applicable code of conduct
- scope (including type and level)
- standards to be used
- assumptions regarding reporting criteria and evidence

- requirements for evidence
- summary of activities, including milestones, timeframes and progress reporting requirements
- assurance report and assurance statement requirements
- confidentiality requirements
- a declaration of independence by the assurance provider
- risks and constraints
- liability
- fees and costs
- any special requirements relating to web-site reporting or translations

## A.4 Conducting an AA1000AS (2008) Engagement

### 4.1 Planning the engagement

A best practice assurance plan would contain details of:

- the objectives of the engagement including:
  - scope,
  - level of assurance,
  - standards to be used, and
  - criteria to be used;
- the assurance strategy, including risk assessment;
- the tasks and activities, including
  - evidence gathering methods,
  - resources requirements (human, financial, technological), and
  - schedule (dates and duration);
- the evidence requirements (depth, breadth, type, sources of evidence, sampling protocols);
- the resource requirements;
- the roles and relationships;
- identification of key reporting organisation and assurance provider contacts;  
and
- reference documents, protocols, checklists and other working documents to be used.

#### 4.1.1 Engagement risk

The practitioner should reduce assurance engagement risk to an acceptably low level in the circumstances of the engagement. In general, assurance engagement risk comprises inherent risk, control risk and detection risk. The degree to which the assurance provider considers each of these components is affected by the engagement circumstances.

The assurance provider needs to obtain an understanding of the subject matter and other engagement circumstances; sufficient to identify and assess the risks of the

subject matter information being materially misstated; and sufficient to design and perform further evidence-gathering procedures.

#### 4.2 Performing the engagement

Performing the engagement involves collecting and evaluating evidence about the subject matter against suitable criteria to arrive at a set of findings and conclusions. It is therefore important to have a clear understanding of the subject matter, criteria, and evidence required.

The scope of the engagement establishes the subject matter. For an AA1000AS (2008) assurance engagement this is either a Type 1 or a Type 2 engagement. So the subject matter relates to the principles in AA1000APS (2008) and, for Type 2, the specified disclosures (information) on sustainability performance.

The criteria for the principles are found in the AA1000APS (2008). The criteria for sustainability performance information are found in a range of other sources, including other standards and guidelines. These need to be identified and agreed before the engagement begins.

The evidence is all the things an assurance provider evaluates: documentation, systems and processes, internal controls, the data, the interview records and so on.

The assurance provider needs to have a clear plan for the breadth, depth and time period of the evidence required. Assurance providers can use, where relevant, accepted sampling protocols and have in place internal procedures for determining what evidence they need and for evaluating when evidence is acceptable (sufficient).

When evaluating the nature and extent of adherence to the AA1000 AccountAbility Principles (2008) the assurance provider will focus on the profile of the organisation and the management approach. In other words: who are they, what do they do and how do they understand and manage their sustainability issues. In evaluating the principles the assurance provider will also look for evidence of the consistency and credibility of the sustainability performance information. Since the evaluation of adherence to the principles does not have to be assertion based (that is, the

assurance provider is not simply testing the validity of an assertion) but may also be based on direct investigation and discovery, the evidence sought need not be limited to that which would be required to validate an assertion in the organization's disclosures.

When evaluating the reliability of specified sustainability performance information on the other hand, the assurance provider needs to seek out evidence that is relevant to the performance claim in the public disclosure that is being assured. Once again this will include a wide range of evidence (e.g. on systems and processes in place and systems and process performance, on data gathering practices and competencies, on the accuracy of calculations). The evidence gathered and reviewed needs to be comprehensive and balanced.

The assurance provider needs to assess the quality of the information it is evaluating. The GRI G3 Information Quality Principles can be used as reference point regardless of whether the report is declared a GRI report.

A set of tests for quality of information might consist of the following:

### Reliability

- Has information been gathered, recorded, compiled, analysed, and disclosed in a way that, when examined, establishes the quality and materiality of the information?
- Can the original source of information be identified?
- Is there support for assumptions or complex calculations?
- Is representation available from the original data or information owners, attesting to its accuracy within acceptable margins of error?

### Clarity

- Does the behaviour or information meet the needs of stakeholders?
- Can stakeholders understand the behaviour or find the information they want without unreasonable effort?
- Are technical terms, acronyms and jargon avoided or explained?
- Is information accessible?

### Balance

- Are behaviour and information unbiased and are selections, omissions, or presentation formats that are reasonably likely to unduly or inappropriately influence the decisions or judgments of a stakeholder avoided?
- Are both positive and negative trends in performance on a year-to-year basis addressed?
- Is the emphasis on the various issues proportionate to their relative materiality?

### Comparability

- Can behaviour and information be compared on a year-to-year basis?
- Can behaviour and information be compared on a year to year basis to that of industry peers?
- Can the organisation's performance be compared with appropriate benchmarks?
- Can any significant variation in the boundary, scope, length of reporting period, or information covered in the report be identified and explained?
- Are generally accepted protocols for compiling, measuring, and presenting information used?

### Accuracy

- Are data measurement techniques and bases for calculations adequately described, and can they be replicated with similar results?
- Is the margin of error for quantitative data small enough not to substantially influence the ability of stakeholders to reach appropriate and informed conclusions on performance?
- Is there an indication of which data has been estimated and the underlying assumptions and techniques used to produce the estimates, or where that information can be found?
- Is qualitative information valid on the basis of other evidence reviewed?

### Timeliness

- Does behaviour and information clearly indicate the time period to which it relates, when it will be changed or updated, and when the last changes or updates were made?

#### 4.2.1 Evaluation of Adherence to the AA1000 AccountAbility Principles

There are three AccountAbility principles: the Foundation Principle of Inclusivity, the Principle of Materiality and the Principle of Responsiveness. Completeness, which was presented as a principle in the 2003 edition of the AA1000AS, is no longer included as a principle in AA1000APS.

The criteria in AA1000APS (2008) are used to evaluate the nature and extent of adherence to the AccountAbility Principles. These work together and, in practice, are not considered in isolation from each other.

##### **AA1000 AccountAbility Principle of Inclusivity**

Inclusivity is the foundation principle. Without it there is no accountability.

The AA1000 Stakeholder Engagement Standard (AA1000SES) establishes requirements for effective, quality stakeholder engagement and may be considered when evaluating adherence to the principle of inclusivity.

The assurance provider needs to establish what evidence is required to determine the nature and extent of adherence to the foundation principle of inclusivity.

##### **AA1000 AccountAbility Principle of Materiality**

The concept of materiality comes from financial reporting and auditing. Materiality for financial reporting is defined as follows:

‘Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements’.

A material misrepresentation or omission occurs when information is not disclosed or, if disclosed, is in some way distorted such that in either case it is likely to change the decisions, actions and behaviour of stakeholders or the organisation itself.

Materiality is based on a threshold or cut-off point rather than being a primary qualitative characteristic of information in order to be useful. In practice, financial impact thresholds are established that define the 'magnitudes' that are deemed material. The Federation of European Accountants (FEE) publication "Fee Discussion Paper - Key Issues in Sustainability Assurance - An Overview" indicates that it is important to consider materiality when determining evidence gathering requirements; and that when considering materiality the practitioner **needs to understand what factors will influence the decisions of intended users**. The relative importance of qualitative and quantitative factors in determining materiality is a matter of professional judgement.

In the sustainability context, materiality refers not only to a material misstatement or omission in reporting but also to the relevance and significance of an issue to an organisation and its stakeholders. Material issues are the issues that are taken into consideration when the organisation or its stakeholders make decisions.

The reporting organisation is responsible for determining what it considers to be material. In making this determination, it needs to understand and respond to what is material to its stakeholders. While stakeholders participate in and influence the reporting organisation's determination of what it will treat as material, they do not, unless explicitly assigned, have responsibility for final decisions. This then becomes a governance issue for the reporting organisation. The determination needs to be made in a robust and transparent manner which is reflected in governance structures.

The AA1000AS (2008) requires the assurance provider to assess the organisation's determination of material issues in relation to a range of criteria and not just in relation to financial thresholds. As in the case of financial

reporting and auditing, an issue, concern or impact is material if it could influence the decisions and behaviour of stakeholders or the organisation itself.

The determination of materiality needs to be systematic and defensible. AccountAbility has published two studies that look at the materiality determination process: *Redefining Materiality*, and *The Materiality Report*. These studies provide a benchmark against which processes for determining materiality may be evaluated.

A reporting organisation, with its stakeholders, determines what is material, to whom, why and at what point. Determining materiality is often approached as a two part process: determining what is relevant and then determining which relevant issues are most significant. "Relevance" is about what matters and "significance" is about how much it matters. The outcomes of this process will include a list of the most material issues as well as a set of relevant issues, not considered to be the most material to the organisation, but still important to stakeholders and therefore still need to be managed. This process and the outcomes are reviewed and the outcomes integrated into decision making.

The relevance of an issue is determined in relation to objective sustainability criteria. AccountAbility has developed the 5-part Materiality Test, which is explained in detail in *Redefining Materiality*. While this process intends to provide a benchmark for analysing relevance, it is not a requirement. The process identifies and tests issues in relation to:

- direct financial impacts,
- policy-related performance,
- organisational peer-based norms,
- stakeholder behaviour and concerns, and
- societal norms.

Significance is determined by prioritising relevant issues. This prioritisation is made based on suitable and identified thresholds. The determination process may have a number of thresholds, for example, a threshold for the most material issues and a lower threshold for relevant issues that are managed or those that are important to specific stakeholder groups but are not material.

Issues that pass neither of these thresholds would not need to be addressed, although it may still be important to communicate with stakeholders for whom they are a concern why they are not being addressed.

#### **AA1000 AccountAbility Principle of Responsiveness**

A reporting organisation needs to respond to material issues, that is, to develop and implement appropriate and adequate policies, strategies and plans consistent with stakeholder and organisational interests and expectations.

As responses to material issues compete for available resources, the responses need to be prioritised. This prioritisation needs to be consistent with other strategies and plans, as well as with stakeholder interests. A systematic process for determining the relevance and significance of material issues will provide the basis for decisions about priority. If there are material issues that have not been responded to, this needs to be communicated.

An assurance provider evaluates how the reporting organisation has responded to material issues and how it has prioritised its response. An appropriate and adequate response will take into account the relevant science, industry benchmarks and best practice, and organisational capacity.

An assurance provider evaluates whether the reporting organisation has allocated adequate resources. Resources are adequate when they allow the reporting organisation to achieve its stated commitments within the stated time frame and to communicate its response in a way that is consistent with stakeholder interests.

An assurance provider evaluates whether the reporting organisation has responded in a timely fashion. And take into account changes in maturity of issue.

An assurance provider evaluates the access of stakeholders to the process for developing responses (policies, strategies, plans), and to information about responses.

### A Note on Completeness

Completeness is no longer included as a principle in AA100AP (2008). However it remains an important concept in providing assurance on adherence to the three AccountAbility Principles.

Completeness is about being comprehensive and balanced.

Completeness considers:

- The breadth of understanding: for example, has the organisation covered the landscape, or has it left out anything?
- The depth of understanding: for example, has the organisation considered all aspects of the impact of the issues; does it fully understand the nature of stakeholder concern?
- The time period: for example, does the organisation understand the maturity of the issue and its capacity for response, and does it understand how to respond in the long term as well as the short term.
- The balance: is the information unbiased and are both positive and negative trends addressed.

The assurance provider brings an understanding of completeness to the evaluation of the nature and extent of adherence to the principles and the reliability of performance information.

#### 4.2.2 Evaluation of specified sustainability performance information

When evaluating specified sustainability performance information the assurance provider will focus on the reliability of reported information. The evaluation will therefore cover the (qualitative and quantitative) assertions made by the organisation about its sustainability performance, as well as the underlying systems, processes, information and data.

The assurance provider brings an understanding of completeness to the evaluation of the reliability of performance information.

#### 4.2.3 Obtaining evidence

The assurance provider needs to obtain sufficient appropriate evidence on which to base conclusions. Sufficiency is the measure of the quantity of evidence. Sufficient appropriate evidence is obtained as part of an iterative, systematic engagement process. Appropriateness is the measure of the quality of evidence; that is, its relevance and its reliability. The assurance provider considers the relationship between the cost of obtaining evidence and the usefulness of the information obtained. However, the matter of difficulty or expense involved is not in itself a valid basis for omitting an evidence-gathering procedure for which there is no alternative. The assurance provider uses professional judgment and exercises professional scepticism in evaluating the quantity and quality of evidence, and thus its sufficiency and appropriateness, to support the assurance report.

#### 4.2.4 Representations by the reporting organisation

The assurance provider may obtain representations from the reporting organisation, (responsible party) as appropriate. Written confirmation of oral representations reduces the possibility of misunderstandings between the practitioner and the reporting organisation.

#### 4.2.5 Limitations

If the scope of the report has been limited in any way - in terms of the range of issues, the declared audience or in terms of the way the organisational boundaries are drawn - the assurance provider needs to acknowledge this in its evaluation of adherence to the principles and in the findings and conclusions. Even if the scope of the report is limited, the assurance provider still evaluates the nature and extent of the organisation's adherence to the principles. In evaluating adherence to the principles, the assurance provider provides conclusions on the transparency of the organisation. This takes any limitations in reporting into account.

It is important to be explicit about any limitations related to the engagement, for example in the scope or evidence gathering. If management describes

limitations in the report itself then the assurance provider may refer to these in the assurance statement, rather than repeating them.

#### 4.2.6 Documentation

Standard audit practice, as well as common sense, requires retention of all relevant documents that are needed to substantiate the findings and conclusions in the assurance statement. Confidentiality and security are important considerations in storing these documents for future reference.

#### 4.2.7 Considering subsequent events

The assurance provider should consider the effect on the subject matter information and on the assurance statement of events up to the date of the assurance report. There is a need to be clear about the timing and dates of the assurance process and statement. The extent of consideration of subsequent events depends on the potential for such events to affect the subject matter information and to affect the appropriateness of the practitioner's conclusion. Consideration of subsequent events in some assurance engagements may not be relevant because of the nature of the subject matter.

### 4.3 Reporting by the Assurance provider

#### 4.3.1 Assurance statement

AA1000AS does not prescribe the language to be used in a statement. However to promote a level of consistency and comparability it does set down requirement for the information in the statement. An assurance provider is not limited by the minimum requirements in AA1000AS (2008). The purpose of the statement is to provide assurance. The assurance provider keeps the audience in mind and provides a statement that is clear, concise and meaningful.

A best practice assurance statement could include the following information:

- title,
- intended users of the assurance statement,

- note on roles and responsibilities (assurance provider, reporting organisation),
- description of the scope of the assurance engagement and its type (stating either Type 1 or Type 2),
- assurance standard used, including reference to AA1000AS (2008)
- description of disclosures covered,
- note on criteria used,
- limitations (in the sustainability report, the engagement scope or evidence gathering),
- description of methodology,
- statement on level of assurance (stating Moderate or High, or equivalent from other assurance standards),
- findings, conclusions concerning adherence to the AA1000 AccountAbility principles (in all cases),
- findings and conclusions concerning the reliability of specified information (for Type 2)
- observations and recommendations including, where appropriate, whether previous years' recommendations have been implemented,
- note on competencies and independence of assurance provider,
- name of the assurance provider, and
- place and date.

**Conclusions** need to be clear and to the point. There must be a conclusion on each of the three AA1000 AccountAbility Principles and, for Type 2, on the specified sustainability performance information. For adherence to the AA1000 AccountAbility Principles, conclusions will not normally be stated as a 'yes' or a 'no' but will articulate the nature and extent of adherence. So instead of saying in the statement that: 'in our opinion the organisation adheres to the principle of materiality', the assurance provider may state: 'the organisation has in place a procedure to determine its materiality sustainability issues'. It then goes on to characterise the qualities and limitations of the procedure. It can also state a conclusion on the results of the procedure. For example: 'It is our opinion that, as a result of implementing the procedure, no material issues have been omitted.'

Conclusions on disclosures on sustainability performance address the reliability of the information and are based on the evaluation of evidence in relation to the agreed criteria. The assurance statement may address the underlying information systems and processes as well as the disclosed assertions.

**Observations/Recommendations** address deficiencies in adherence to the AA1000 AccountAbility Principles and in the reliability and accuracy of performance information. In the context of addressing deficiencies in adherence to the AA1000 AccountAbility Principles, for example, when addressing the adequacy of adherence to the principle of responsiveness, it may be appropriate to provide recommendations on performance within the context of sustainable development, however, observations on performance are not mandatory.

#### 4.3.2 Report to Management

Some clients may ask the assurance provider to prepare a more detailed report on the conduct of the engagement, the findings, and the recommendations. If an assurance provider is asked to prepare a separate report for management, the report conclusions and recommendations of this report need to be consistent with those in the assurance statement and should not include conclusions in relation to the engagement scope which are not included in the assurance statement.

## B. Informative Annexes

### B.1 The AA1000 Series

The AA1000 Series is comprised of

AA1000APS (2008) AccountAbility Principles Standard

AA1000AS (2008) Assurance Standard

AA1000SES (2005) Stakeholder Engagement Standard

The series is supported by Guidance Notes and User Notes. The Guidance Notes, for example, *Guidance for the Use of AA1000AS (2008)*, provide information on how to apply the standards. The User Notes provide examples of the use of the standards.

To download the standards and for more information please visit

[www.accountability21.net/aa1000series](http://www.accountability21.net/aa1000series)

## B.2 AA1000 Series in Translation

The AA1000AS (2003) has been translated into a number of languages. Translating the standard into multiple languages enables wider international use of the standard, a greater depth of understanding at the local level and increased consistency in the quality of assurance engagements worldwide.

It is our intention to translate AA1000APS (2008), AA1000AS (2008) and the Guidance on the Use of the AA1000AS (2008) into a number of languages. AccountAbility is always looking for partners to work with to translate the standard into new languages. If partnering on this is of interest, please contact the Head of Standards at AccountAbility.

### B.3 Keeping Standards up-to-date

Standards are living documents that reflect progress in principles, practice, methods and science. To maintain their currency, all standards are periodically reviewed (at a minimum every five years) and where warranted new editions are published. Between editions, amendments may be issued. Standards may also be withdrawn. It is important that readers assure themselves they are using the current standard, which should include any amendments which may have been published since the standard first appeared.

Detailed information on The AA1000 Series of standards can be found on the AccountAbility web site: [www.accountability21.net/aa1000series](http://www.accountability21.net/aa1000series)

We welcome suggestions for improvement of our standards and encourage readers to notify us immediately of any apparent inaccuracies or ambiguities. Please address any comments to the Head of Standards at AccountAbility.

## B.4 References

- AA1000AS (2008)

### Stakeholder Engagement

- The Stakeholder Engagement Standard, AA1000SES
- Stakeholder Engagement Manual, Volume 2  
[www.accountability21.net/publications.aspx?id=904](http://www.accountability21.net/publications.aspx?id=904)
- Critical Friends - Stakeholder Panels Report [www.stakeholderpanels.net](http://www.stakeholderpanels.net)  
[www.accountability21.net/publications.aspx?id=1088](http://www.accountability21.net/publications.aspx?id=1088)

### Reporting

- GRI G3 Guidelines  
[www.globalreporting.org/ReportingFramework/G3Guidelines/](http://www.globalreporting.org/ReportingFramework/G3Guidelines/)
- Accounting for Good: the Global Stakeholder Report 2005 (The Second World-wide Survey on Stakeholder Attitudes to CSR Reporting) Pleon Kohtes Klewes GmbH / Pleon b.v., 2005 ~
- ACCA (2004) The Future of Sustainability Assurance  
[www.accaglobal.com/publicinterest/activities/research/reports/sustainable\\_and\\_transparent/rr-086](http://www.accaglobal.com/publicinterest/activities/research/reports/sustainable_and_transparent/rr-086)
- Canadian Reporting guidance [www.sustainabilityreporting.ca](http://www.sustainabilityreporting.ca)
- Context (2006) Reporting in Context 2006: Global Corporate Responsibility Reporting Trends [www.econtext.co.uk/cover\\_scans/InContext2006.pdf](http://www.econtext.co.uk/cover_scans/InContext2006.pdf)
- Corporate Register [www.corporateregister.com](http://www.corporateregister.com) (Library of Reports)
- DEFRA Environmental Reporting Guidelines  
[www.defra.gov.uk/environment/business/envrp/guidelines.htm](http://www.defra.gov.uk/environment/business/envrp/guidelines.htm)
- FORGE - Guidelines on Environmental Management and Reporting for the Financial Services Sector [www.abi.org.uk/forge/](http://www.abi.org.uk/forge/)
- Friends of the Earth et al (2004) Lessons Not Learned: The Other Shell Report  
[www.foe.co.uk/resource/reports/lessons\\_not\\_learned.pdf](http://www.foe.co.uk/resource/reports/lessons_not_learned.pdf)
- Prepared by KPMG and SustainAbility for GRI, 2008. "[Count me in: The Readers' take on sustainability reporting](#)",

- KPMG (2005) KPMG International Survey of Corporate Responsibility Reporting  
KPMG/ UNEP (2006) Carrots and Sticks for Starters: Current trends and approaches in Voluntary and Mandatory Standards for Sustainability Reporting [www.unep.fr/outreach/reporting/docs/Public-UNEPKPMG-Report-FIN.pdf](http://www.unep.fr/outreach/reporting/docs/Public-UNEPKPMG-Report-FIN.pdf)
- UNEP/Sustainability (2004) 'Risk and Opportunity': Global Reporters 2004 Survey of Corporate Sustainability Reporting [www.sustainability.com](http://www.sustainability.com)
- UNEP/Sustainability (2006) 'Tomorrow's Value' Global Reporters 2006 Survey of Corporate Sustainability Reporting [www.sustainability.com](http://www.sustainability.com)
- WBCSD- [www.wbcsd.org/](http://www.wbcsd.org/)
- GEMI (2004) Transparency: A Path to Public Trust [www.gemi.org/Transparency-PathtoPublicTrust.pdf](http://www.gemi.org/Transparency-PathtoPublicTrust.pdf)
- WBCSD (2002) Sustainable Development Reporting: Striking the Balance Eurobarometer 217: The attitudes of European citizens towards environment (research Nov 2004, Published April 2005)
- UN Global Compact [www.globalcompact.org](http://www.globalcompact.org) (also document - A practical guide to Communication on Progress (United Nations Global Compact and Making the Connection: Using the GRI's G3 Reporting Guidelines for the UN Global Compact's Communication on Progress))
- Environmental, Social and Sustainability Reporting on the World Wide Web: a guide to best practice (ACCA/Corporateregister.com)
- Materiality: Redefining Materiality [www.accountability21.net/publications.aspx?id=1168](http://www.accountability21.net/publications.aspx?id=1168)
- Accountability (2006) The Materiality Report: Aligning Strategy, Performance and Reporting [www.accountability21.net/publications.aspx?id=560](http://www.accountability21.net/publications.aspx?id=560)

## Assurance

- Assurance: Certification as a sustainability assurance practitioner <http://www.accountability21.net/publications.aspx?id=368>
- AA1000AS (2003): [www.accountability21.net/publications.aspx?id=288](http://www.accountability21.net/publications.aspx?id=288)
- AA1000AS (2003) Guidance note on Principles: [www.accountability21.net/publications.aspx?id=380](http://www.accountability21.net/publications.aspx?id=380)
- Assurance Standards Briefing AA1000AS (2003) and ISAE3000: [www.accountability21.net/publications.aspx?id=390](http://www.accountability21.net/publications.aspx?id=390)

- User Note on the Application of the Principles of Materiality, Completeness and Responsiveness as they Relate to the AA1000 Assurance Standard  
[www.accountability21.net/publications.aspx?id=1242](http://www.accountability21.net/publications.aspx?id=1242)
- The Future of Assurance [www.accountability21.net/publications.aspx?id=456](http://www.accountability21.net/publications.aspx?id=456)
- Assure View, Corporate Register, 2008
- The Materiality Report [www.accountability21.net/publications.aspx?id=560](http://www.accountability21.net/publications.aspx?id=560)
- Better Assurance through Better understanding
- IFAC Framework
- IAASB ISAE 3000
- COS 3410N
- FEE (2009), Policy Statement on Sustainability: Towards a Sustainable Economy: the contribution of Assurance
- FEE, Key Issues In Sustainability Assurance - An Overview

## B.5 Certification of sustainability assurance practitioners

IRCA and AccountAbility have established a partnership to provide a professional qualification in sustainability assurance, the **Certified Sustainability Assurance Practitioner Program (CSAP)**.

CSAP aims to:

- Enable practitioners to develop, validate and communicate their competence in a systematic manner.
- Make it easier for organisations to identify credible assurance expertise.
- Improve stakeholder confidence in the expertise of sustainability assurance professionals engaged by organisations.
- Develop a more systematic understanding of key competency requirements for providing effective assurance, and so establish a basis for informing this and other standards in future.

CSAP is intended for all practitioners worldwide including:

- those who work in CSR departments involved in the development of corporate accountability programs;
- those who work in departments involved in internal (assurance) audit processes;
- those who provide consultancy services for organisations on sustainability assurance;
- independent assurance providers who undertake assurance processes; and
- those just starting out in the area of sustainability assurance.

CSAP offers certification at three grades:

**Associate Sustainability Assurance Practitioner:** an understanding of the field of sustainability assurance gained by attending relevant training. This grade is most relevant to those beginning their career in sustainability assurance, and those involved in related topics

**Sustainability Assurance Practitioner:** an active practitioner with demonstrable experience over a number of assignments with different clients or, for internal

practitioners, over several assurance cycles covering a range of sustainability issues

**Lead Sustainability Assurance Practitioner:** active in the provision of sustainability assurance and you have led a significant number of sustainability assurance assignments either internally or as part of external assurance assignments. Experience in stakeholder engagement as part of assurance assignments is essential, as is the lead role in forming assurance judgements and the preparation of external or internal assurance statements

## B.6 AccountAbility assurance provider membership and licensing

Assurance providers can be assurance provider members of AccountAbility.

Use of the standard to provide independent external assurance is under license.

For information on the Assurance provider member program and licensing please go to the AccountAbility website: [www.accountability21.net/aa1000series](http://www.accountability21.net/aa1000series)

## B.7 AccountAbility Standards Technical Committee

Jennifer Iansen Rogers, KPMG - Chair

Glenn Howard Frommer, MTR Corporation

Dominique Gangneux, ERM

Chuck Gatchell, Nike, Inc. (to February 2008)

Sean Gilbert, GRI

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Vernon Jennings, Independent Consultant

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Dave Lucas, Eskom

Paul Monaghan, Cooperative Financial Services

Johan Piet, Transparability

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Chris Tuppen, BT (to February 2008)

Ian Wood, BT (from February 2008)

David York, ACCA

## B.8 About AccountAbility

**AccountAbility** ([www.accountability21.net](http://www.accountability21.net)) works to promote accountability innovations for sustainable development. AccountAbility, founded in 1995, is a global, not-for-profit self-managed partnership with bases in Beijing, Geneva, London, Sao Paulo and Washington D.C., and country representatives in Brazil, Canada, China, Jordan, Spain, Sweden and the US.

AccountAbility is a global network of leading business, public and civil institutions working to build and demonstrate the possibilities for tomorrow's global markets and governance through thought leadership and advisory services. We work to:

- Enable open, fair and effective approaches to stakeholder engagement
- Develop and reward strategies for responsible competitiveness in companies, sectors, regions and nations
- Create and develop effective collaborative governance strategies for partnerships and multilateral organisations that are delivering innovation and value
- Set and influence sustainability standards