



Reporting and Assurance Frameworks Initiative (RAFI)

Human Rights Assurance Expert Roundtable
New York on June 12, 2015

MEETING REPORT

The objective of this human rights assurance expert roundtable was to bring US-based assurance experts together to discuss the development of an assurance framework to assure the reporting put together by companies following the UN Guiding Principles Reporting Framework.

I. Participants

Lisa French (IIRC)
Lisa Barnes (Bureau Veritas)
Kristen Sullivan (Deloitte)
Brendan Le Blanc (EY)
Amy Pawlecki (AICPA)
Mark Rowe (LRN)

RAFI Project team:
Bridget Day – Mazars
Howard Dorman – Mazars
Richard Karmel – Mazars
Bill Mellon - Mazars
Caroline Rees – Shift

II. Discussion Points

The following summarizes the key discussion points from the roundtable:

Positioning of an 'assurance framework':

Participants highlighted some concerns that an “assurance framework” might be seen as a new standard that cuts across the formal standards that are required of professional auditors and set by industry bodies such as AICPA (in the US) and IAASB (globally). It was noted that these bodies are developing their own work in relation to sustainability assurance. However, participants underlined that new reporting frameworks such as the UNGP Reporting Framework can provide valuable clarity on the relevant subject matter for reporting. This can then be of direct use to assurance practitioners as well.

At the same time, discussions highlighted the fact that sustainability assurance under current professional standards often appears patchy or superficial and the resulting opinions are typically hard to decipher. It was noted that other frameworks, such as the assurance framework of the International Council on Mining and Metals, have provided

valuable industry specificity for assurance providers and led to clearer and more meaningful assurance opinions.

The history of the professional standards arena was seen as instructive: new non-financial areas of company performance and reporting emerge and are typically the focus of work by specialist organizations outside the professional audit industry; over time audit firms start to bring the relevant expertise into their organizations, often in their advisory services; and eventually they start also to conduct assurance on those issues under the professional standards that govern their work. Participants indicated that we might see a similar pattern in the evolution of human rights assurance.

Effectiveness of companies' policies and processes

Participants felt that the Implementation Guidance to the UNGP Reporting Framework provides very valuable guidance not just for companies to report, but also for internal auditors and external assurance providers seeking to understand the kinds of policy, process and practice they should be looking for from companies.

Discussions highlighted the wish of many investors and other company stakeholders to get some insight into companies' actual behaviors and corporate culture beyond the specific processes, actions or outcomes they report. Assurance that can give this kind of insight could be valuable.

There was general agreement that RAFI might therefore best add further value by providing an additional layer of guidance, building on the Implementation Guidance. This guidance could focus on types of evidence or indicators that highlight distinctions between the more superficial practices and the more meaningful efforts and behavioral change by companies. It was suggested that this kind of guidance could also help senior management in companies, who are often over optimistic about how their company is performing, by giving them a basis to second guess their assumptions.

Competence of assurance providers

There was broad agreement that the core competence for assurance providers is competence in the process of assurance. This is set out in existing standards and provides a method that can be applied widely to different subject matters. That process competence includes the identification of skill sets that are missing in the assurance team and need to be added in light of the particular engagement being undertaken. Participants felt that practitioners could benefit from some additional guidance with regard to the kinds of specific skill that are essential when it comes to human rights assurance.

In addition to expertise in human rights law and practices within different jurisdictions, participants discussed the particular relevance of stakeholder engagement skills in the context of human rights assurance. The need to engage appropriately with potentially affected groups and/or their representatives raised specific issues in terms of the

composition of assurance teams and was seen as a potentially fruitful area for additional guidance.

Reliance on third parties

There was discussion of the feasibility of relying on assurance work conducted by a third party as an input to a broader assurance process. Participants highlighted existing constraints on professional auditors in considering when and to what extent practitioners should be prepared to rely on these sources, or refuse to do so. Discussions highlighted the particular difficulty of relying on third party work in the context of human rights assurance. It was unclear how the assurance practitioner could gain sufficient confidence in third party work in such a qualitative field of assessment and where it could be hard to judge competence without direct oversight.

Assurance statement

There was extensive discussion of the content of the assurance opinions that result from assurance processes. Participants agreed that these were often quite opaque under existing professional standards, offering little insight into the issues explored and often little clarity on what parts of a report were and were not covered by the opinion. It was felt that professional firms in the US would see little incentive for their opinions to move beyond the basic elements required under AT101. Moreover, few signs were seen that companies would ask for or be interested in a fuller articulation. Anything more detailed than the current typical statement would typically remain in the letter to management that is confidential.

However, it was also noted that assurance practitioners outside the audit industry who conduct sustainability assurance using the AA1000AS standard do produce fuller, public assurance opinions that reflect more information about their findings and the issues they discussed with management. This is also the case with regard to their US clients. Discussions suggested that there is in practice nothing preventing fuller assurance opinions in the US context, except for a sense of a limited demand for moving beyond the minimum.

III. Next steps

This expert roundtable was preceded by a similar event in London on 5 June, for which a [summary of discussion points](#) has also been published. The [key take-aways](#) for the RAFI project team from these two roundtables are summarized in a separate document. These take-aways will guide the team as it develops draft guidance on assurance during summer 2015. Initial drafts will be open for public comment in the autumn and the focus of discussions in multi-stakeholder consultations in London, New York, Jakarta and Johannesburg between September and November.