

Reporting and Assurance Frameworks Initiative (RAFI)

GENERAL TAKE-AWAYS FROM ASSURANCE PRACTITIONER ROUNDTABLES

JULY 2015

This note sets out the key take-aways of the RAFI project team from two practitioner roundtables held in June 2015 in [London](#) and [New York](#), which in turn build on earlier feedback from global multi-stakeholder consultations held in 2013 and 2014. These take-aways will inform the project team's approach to producing a first draft on human rights assurance, which will be the subject of multi-stakeholder consultation in autumn 2015.

I. BACKGROUND

In the course of 2013 and 2014, the RAFI project team held multiple consultations on all continents to explore the perspectives of business, civil society, investors, governments, assurance providers and other experts on how best to advance corporate reporting on human rights and the assurance of human rights reporting. The first product of this process was the [UNGP Reporting Framework](#) launched in February 2015. The Reporting Framework has enjoyed strong uptake by companies and extensive support from all stakeholder groups in the months since its publication.

The consultations also provided an opportunity for the RAFI project team to gain the perspectives of stakeholders on the issue of assuring human rights reporting. This highlighted a range of concerns with the current state of assurance in this field, and both opportunities and challenges for advancing practice. The project team captured the key issues in a [Vision for Human Rights Assurance](#) paper issued in April 2015.

In June 2015, the project team held two practitioner roundtables in London and New York to explore the issues raised in this vision paper and focus in on practical ideas for addressing them. The roundtables comprised professionals from the Big Four accounting firms, smaller boutique firms specializing in human rights assurance and internal auditors. They positioned the conversation in the context of broader innovations underway within the field of sustainability assurance. The project team's key take-aways from the roundtable discussions are set out below.

II. KEY TAKE-AWAYS

A. Added value of RAFI's product on assurance

Existing standards – both those governing professional firms (e.g., ISAE 3000 globally or AT101 in the US) and those used by other providers (notably AA1000AS) – have long established the key process requirements for conducting assurance in relation to any non-financial subject matter. Any proposal to develop a new 'assurance framework' risks implying it is a new process standard that could conflict with those that exist. There is no value in repeating those standards, nor any need to repeat them.

That said, practitioners from different backgrounds see value in subject matter guidance for assurance practitioners focused on human rights. Many already see the Implementation Guidance to the UNGP Reporting Framework as a first valuable resource in that regard.

B. Purposes of RAFI's product on assurance

Assessing the effectiveness of policies and processes:

Subject matter guidance would be relevant for the purpose of assessing companies' human rights performance overall, and not limited to the purpose of assuring their human rights reporting. It could assist practitioners in determining the extent to which companies' human rights related policies and processes are effective in practice.

Competencies for assessing/assuring human rights performance

Existing process standards make clear the need for assurance providers to consider carefully the mix of expertise and skills required in an assurance team for any particular engagement. In the case of human rights assurance – for whatever purpose it is conducted – there would be value in additional guidance on specific human rights related competencies, including stakeholder engagement skillsets necessary for practitioners to gather insights from outside the company, including among affected stakeholder groups.

Assuring companies' human rights reporting:

At present, the challenges and costs of assuring human rights disclosure mean that the assurance process is often limited in its scope to more quantitative and factual information, excluding many areas of the information reported. Assurance opinions are often opaque, with substantial caveats as to the coverage of the assurance and the criteria applied in the process.

RAFI could set out the kind of information that would be particularly meaningful to readers of an assurance opinion, and supportive of continuous improvement by companies. More flexible approaches to assessing and articulating the maturity of a company's human rights reporting may offer greater value to a company and its

stakeholders than heavily caveated opinions constrained by the terms of ‘limited assurance’ or ‘reasonable assurance’. PwC’s work on [inspiring trust through insight](#) provides an example of how this might be approached.

In some jurisdictions, such as France, limited assurance is required under law across a company’s sustainability reporting, including human rights information. Where this is the case, the key findings from the assurance process would still benefit from being reflected in a more transparent assurance opinion.

III. PRELIMINARY CONCLUSIONS

In light of these roundtable discussions, the RAFI project team proposes the following path forward:

Rather than pursuing an ‘assurance framework’, the project team will focus its efforts on developing ‘assurance practitioner guidance’ that would contain two distinct but related components:

A. **Guidance for assessing the effectiveness of human rights policies, due diligence and remediation processes**

The guidance will:

- make clear that existing **process** standards and qualifications remain the bedrock for robust assurance;
- build upon the human rights **subject matter** guidance already found in the Implementation Guidance;
- provide an additional tier of subject matter guidance geared to helping practitioners recognize evidence of effective or ineffective human rights policies and processes;
- include guidance on particular **competencies** needed for the assurance of human rights information.

The guidance will be designed to be of use to:

- a. an internal auditor assessing their company’s policies and processes for meeting its responsibility to respect human rights;
- b. an external service provider assessing a company’s human rights policies and processes as a whole and advising on their improvement;
- c. an external service provider assuring information disclosed by a company about its policies, processes and performance with regard to respect for human rights.

B. **Guidance for producing an opinion on human rights reporting**

This section of the guidance will be specific to human rights reporting. It will be relevant for companies and practitioners seeking to provide greater transparency and value in the assurance opinion. Building on the UNGP Reporting Framework, it is likely to include:

Guidance on the structure of an opinion, including:

- commentary on disclosure about the company's governance of human rights issues (see part A of the Reporting Framework)
- commentary on the company's process to identify salient issues and the credibility of the conclusions drawn (see part B of the Reporting Framework)
- commentary on disclosure about the company's management of the salient human rights issues (see part C of the Reporting Framework)

Guidance on the content of an opinion, including in relation to the:

- breadth of information reported;
- depth of information reported;
- quality of information reported;

and in the case of limited or reasonable assurance:

- reliability of information reported, with cross-reference to part A of the guidance.

Guidance on the accessibility of an assurance opinion to readers:

The RAFI project team will explore further the idea of how a graphic representation could provide an overview of a company's current position in human rights reporting, in support of the narrative provided.

Target audience: This part of the guidance will be designed to be of use to companies and practitioners who are looking to provide third parties with insight into the company's current position and progress regarding its human rights disclosure and underlying human rights performance.

IV. NEXT STEPS

As the RAFI project team progresses its work on assurance, it will continue to welcome feedback and ideas from all interested stakeholders. Initial drafts of the proposed practitioner guidance will be made publicly available in the autumn. Comments are welcomed at any time through the contacts below:

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