



AccountAbility  
institute of social and ethical accountability

# Assurance Standard

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AccountAbility's mission is to promote accountability for sustainable development. As a leading international professional institute, AccountAbility provides effective assurance and accountability management tools and standards through its AA1000 Series, offers professional development and certification, and undertakes leading-edge research and related public policy advocacy. AccountAbility has embraced an innovative, multi-stakeholder governance model, enabling the direct participation of its organisational and individual members who span business, civil society organisations, and the public sector from different countries across the world.

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# 1. Closing the Credibility Gap

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Recent years have seen a rapid growth in public sustainability<sup>1</sup> Reporting, particularly by the business community. This trend has largely been a response to Stakeholder concerns about the social, economic and environmental performance of business, but it is also increasingly linked to investor interests in emerging risk-related aspects of financial performance. Reporting guidelines have emerged to drive up the quality of Reporting, to enable comparability, and for investors in particular, to relate non-financial and financial performance. Some standards, such as the Global Reporting Initiative (GRI), are private and voluntary, whilst others have statutory status.

To date, the real impacts of these developments have not yet been wholly encouraging. Trust towards the corporate community continues to be low in relation to its broader sense of responsibility towards society and the environment, as well as the impact of its practices. Evidence suggests that information contained in sustainability Reports is rarely used either by Stakeholders (including investors) or by management to inform judgements and actions – the key test of credible and useful communication.<sup>2</sup>

Increased credibility is a pre-requisite for more effective sustainability Reporting. Credibility comes in many forms, and many ad hoc approaches to building trust will be part of the blend of approaches used by the business community. But without a generally accepted, professional standard for *Assurance*, these ad hoc elements will remain limited, and potentially even counter-productive.<sup>3</sup> Reporting Organisations, as well as their Stakeholders, increasingly accept that robust external Assurance is a

key means of increasing the credibility and effectiveness of their Reporting and, ultimately, their performance.<sup>4</sup>

Numerous approaches to Assurance have emerged offering different ways of evaluating the credibility of published Reports.<sup>5</sup> Some have focused on specific aspects of accountability, such as carbon emissions and factory-level Assurance of labour standards in global supply chains. Others offer more broad-based Assurance, most of which tend to be commercially proprietary and so are not easily open to scrutiny, comparison or replication. In general, these latter approaches focus on the accuracy of quantitative data and the robustness of accounting systems. Few to date have provided an adequate perspective on the broader context and analysis of materiality to Stakeholders.

AccountAbility's *AA1000 Assurance Standard* is the first initiative offering a non-proprietary, open-source Assurance standard covering the full range of an organisation's disclosure and associated performance, i.e. 'sustainability' Reporting and performance. It draws from and builds on mainstream financial, environmental and quality-related Assurance, and integrates key learning with the emerging practice of sustainability management and accountability, as well as associated Reporting and Assurance practices. Still, the *AA1000 Assurance Standard* in its current form is clearly only one more step further on a longer pathway of learning. Guidance Notes and later iterations of the standard will certainly gain from its interpretations in practice, and from other relevant experience in improving the credibility of new approaches to organisational accountability.



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## 2. The Standard in Brief

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### 2.1 What is Assurance?

Assurance is an evaluation method that uses a specified set of principles and standards to assess the quality of a Reporting Organisation's subject matter, such as Reports, and the organisation's underlying systems, processes and competencies that underpin its performance. Assurance includes the communication of the results of this evaluation to provide credibility to the subject matter for its users.

### 2.2 AA1000 Assurance Standard

The *AA1000 Assurance Standard* is a generally applicable standard for assessing, attesting to, and strengthening the credibility and quality of organisations' sustainability Reporting, and their underlying processes, systems and competencies. It provides guidance on key elements of the Assurance process.

### 2.3 Key Characteristics<sup>6</sup>

The *AA1000 Assurance Standard's* key characteristics are that it:

- ◆ Covers *the full range of organisational performance*, i.e. 'Sustainability Performance'.
- ◆ Focuses on *the materiality of subject matter to Stakeholders, as well as its accuracy*.

- ◆ Examines *the completeness of an organisation's understanding* of its own performance and impacts, and associated Stakeholder views.
- ◆ Assesses Reporting Organisations' *responsiveness to Stakeholders*, and in doing so interprets Reporting as part of an ongoing engagement with them.
- ◆ Provides *a forward-looking approach* that indicates how able an organisation is to carry out stated policies and goals, as well as to meet future standards and expectations.
- ◆ Establishes the basis for *public Assurance statements* that build the credibility of public sustainability Reports.
- ◆ Supports and *integrates approaches to Assurance* using multiple providers, approaches and standards, including specific compatibility with the Global Reporting Initiative Sustainability Reporting Guidelines.
- ◆ Applies to *different types and sizes* of organisations and Assurance Providers from *diverse geographical, cultural and social backgrounds*.
- ◆ Requires *disclosure by Assurance Providers covering their competencies and relationships with the Reporting Organisation* (i.e. client).



## 2.4 Use of the AA1000 Assurance Standard

The *AA1000 Assurance Standard* is primarily intended for use by Assurance Providers in guiding the manner in which their Assurance assignments are designed and implemented. In addition, the *AA1000 Assurance Standard* should inform the way that:<sup>7</sup>

- ◆ *Reporting Organisations* assess, plan, describe and oversee the implementation of their Assurance (including internal Assurance), as well as guide Directors and Boards in overseeing non-financial disclosures.
- ◆ *Reporting Organisations' Stakeholders* query and assess the quality of Assurance and associated Reporting.
- ◆ *Standards bodies and policy-makers* develop private, voluntary standards, as well as voluntary and statutory aspects of organisational accountability, particularly Reporting and Assurance.
- ◆ *Professional development and training practitioners* build professional competencies in Assurance and overall organisational accountability.

### 2.5 The AA1000 Assurance Standard and Related Elements

This document comprises the *AA1000 Assurance Standard*, which covers principles, public statements to be made by the Assurance Provider, and their competencies. It can be used alone for general guidance, or with more technical, detailed direction as set out in:

- ◆ *Guidance Notes*: which will provide guidance on operational interpretations and clarifications of the *AA1000 Assurance Standard* (See Annex B.4). These Notes will over time cover all relevant aspects of the full Assurance assignment life-cycle, drawing in and referring to appropriate existing professional standards.<sup>8</sup>
- ◆ *Practitioner-2-Practitioner Notes*: which will over time provide descriptions and analysis of experience in applying the *AA1000 Assurance Standard* and share these lessons for wider application.

### 2.6 Related Standards

The *AA1000 Assurance Standard* supports Assurance (whether made public or not) of Reporting that adheres to specific standards and guidelines, and is customised by the Reporting Organisation. It is specifically designed to be consistent with, and to enhance, the Global Reporting Initiative Sustainability Reporting Guidelines,<sup>9</sup> as well as other related standards.

The *AA1000 Assurance Standard* is, moreover, designed to complement and enhance the use of specialist Assurance standards and guidelines for the purposes of sustainability Reporting, e.g. factory-based labour compliance audits, employee diversity audits and carbon emissions audits.<sup>10</sup>

## 2.7 Definitions

Annex A contains a glossary to assist in the definition of key terms used throughout this document. Terms for which definitions are provided in the Annex are capitalised throughout the document.



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## 3. The Accountability Commitment

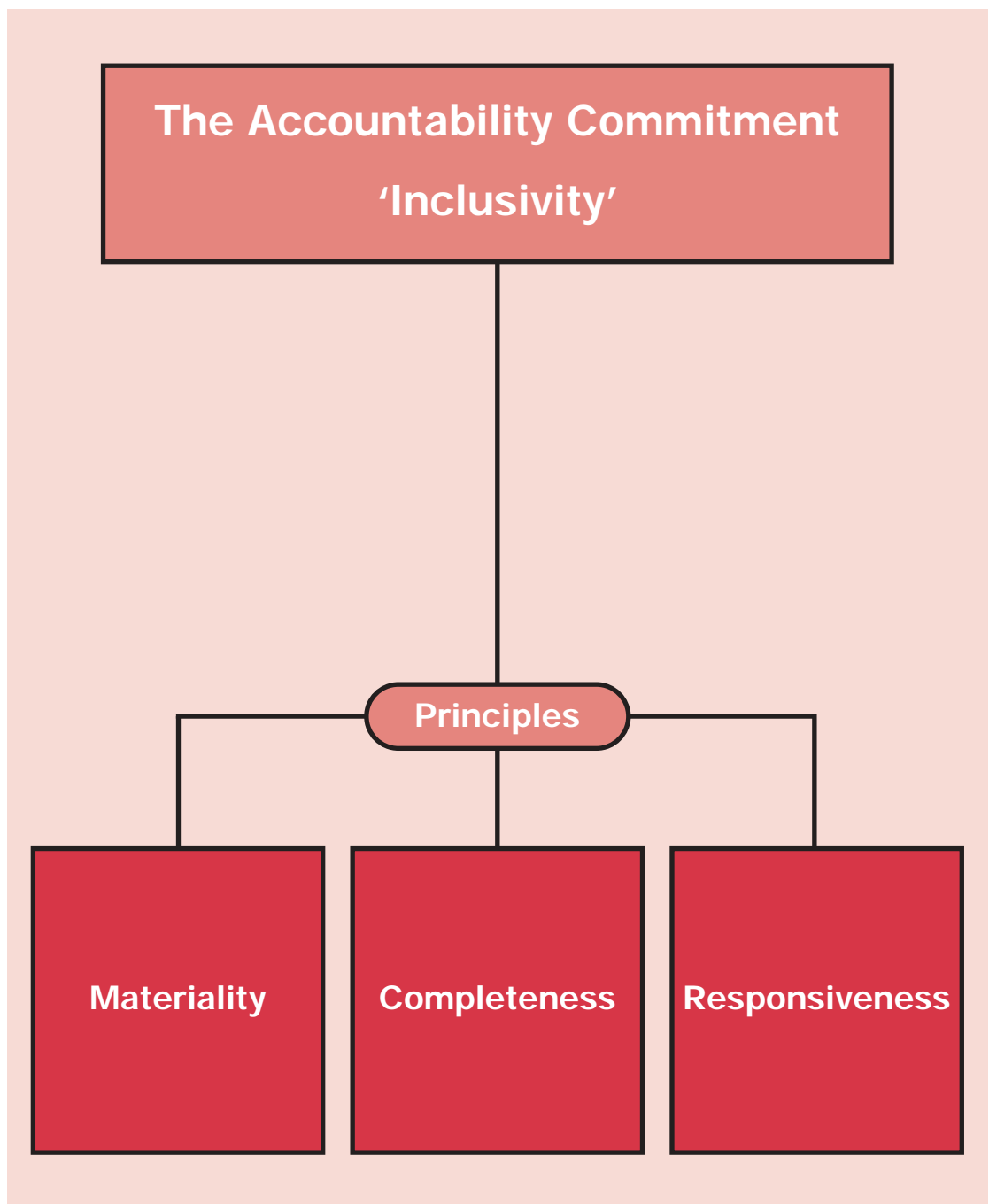
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Organisations adopting any part of the AA1000 Series, including the *AA1000 Assurance Standard*, commit themselves to the practice of '*inclusivity*', by which is meant an organisation's:

- ◆ Commitment to *identify* and *understand* its social, environmental and economic performance and impact, and the associated views of its Stakeholders.
- ◆ Commitment to *consider* and *coherently respond* (whether negatively or positively) to the aspirations and needs of its Stakeholders in its policies and practices, and
- ◆ Commitment to *provide an account* to its Stakeholders for its decisions, actions and impacts.

The principles set out below are the basis on which the credibility of an organisation's fulfilment of this over-arching Accountability Commitment can be assured.<sup>11</sup> Annex B provides further details on the AA1000 Series.

### AA1000 Assurance Standard: Commitment and Principles





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## 4. The AA1000 Principles

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The following principles must be applied in an Assurance process undertaken using the *AA1000 Assurance Standard*:

Principle 1. (P1) Materiality

Principle 2. (P2) Completeness

Principle 3. (P3) Responsiveness

These principles are common across all aspects of the AA1000 Series, but are set out below as they relate to an Assurance process.

### 4.1 Application of Principles and Levels of Assurance

All 'AA1000 principles' must be applied in any Assurance assignment. The manner in which they are applied depends on the level of Assurance pursued.

Assurance levels may depend on the extent and quality of the following:<sup>12</sup>

- ◆ *Information available.*
- ◆ *Sufficiency of evidence.*
- ◆ *Underlying systems and processes.*
- ◆ *Internal Assurance systems.*
- ◆ *Existing Assurance for specific aspects of performance Reporting.*

- ◆ *Resources allocated* for Assurance by the Reporting Organisation.
- ◆ Legal or commercial *constraints*.
- ◆ *Competencies* of the Assurance Provider.

The level of Assurance is expected, although not required, to increase over time as information and underlying systems and processes for accounting for Sustainability Performance improve.

The Assurance Provider must convey in the Report how the application of the AA1000 principles may vary across different aspects of performance and, consequently, the Report, within a single assignment. The Assurance Provider and Reporting Organisation should together plan and agree on the level of Assurance to be pursued. The level of Assurance may change as the Assurance Provider carries out its work; this should then be communicated to Stakeholders to enable them to understand the degree of credibility they should attach to the Assurance.

### 4.2 Materiality (P.1)

The AA1000 *Materiality Principle* requires that the Assurance Provider states whether the Reporting Organisation has included in the Report the information about its Sustainability Performance required by its Stakeholders for them to be able to make informed judgements, decisions and actions.

Information is material if its omission or misrepresentation in the Report could influence the decisions and actions of the Reporting Organisation's Stakeholders.

Guidance on the interpretation of a Stakeholder-based approach to materiality will in practice evolve over time, and be covered in both Guidance and Practitioner Notes. Given the centrality of this definition and its interpretation, however, an indication of the parameters that might be taken into account is provided below.

- (a) *Compliance performance*. The materiality test must consider those aspects of non-financial performance where a significant legal, regulatory or direct financial impact exists.
- (b) *Policy-related performance*. The materiality test should identify those aspects of performance linked to agreed policy positions, irrespective of financial consequences.
- (c) *Peer-based norms*. Aspects of performance could be material where a company's peers and competitors take it as being so in their own case, irrespective of whether the company itself has a related policy or whether financial consequences can be demonstrated.
- (d) *Stakeholder-based materiality*, which can include:
  - i. *Stakeholder behaviour impact*. Materiality should take into account concerns of Stakeholders where

disclosure of related information could impact on their decisions and behaviour, both towards the company and in other situations.

- ii. *Stakeholder views and perceptions.* Materiality should include aspects of performance demonstrably relevant to the views and perceptions of Stakeholders where these are considered relevant to their future decisions and behaviour.

On the basis of parameters such as those set out above, criteria will be agreed upon between the Assurance Provider and Reporting Organisation that enable the Provider to undertake the Assurance assignment.

The Assurance Provider needs to determine whether what is in the Report is material for the:

- ◆ *Reporting Organisation*, e.g. whether indicators and targets included in the Report can be, and are, used in strategic and operational decision-making tools and processes.
- ◆ *Reporting Organisation's Stakeholders*, to enable them to interpret the information in ways that are relevant to their specific decision-making needs; e.g. ensuring Reporting comparability over time with other organisations and against relevant standards.<sup>13</sup>

Based on the evidence, the Assurance Provider should form an opinion as to the materiality of possible omissions and misrepresentations in the Report. The Assurance Provider should discuss material omissions and misrepresentations with the Reporting Organisation and encourage it to amend the Report. If these material omissions and misrepresentations are not included in the Report the Assurance Provider should include them in its Assurance Statement.

The application of this principle by the Assurance Provider will be conditioned by the level of Assurance (see 4.1).

### 4.3 Completeness (P.2)

The AA1000 *Completeness Principle* requires that the Assurance Provider evaluate the extent to which the Reporting Organisation can identify and understand material aspects (see P.1) of its Sustainability Performance.

The Completeness Principle requires that the Assurance process evaluate the extent to which the Reporting Organisation can identify and understand its Sustainability Performance associated with activities, products, services, sites and subsidiaries, for which it has management and legal responsibility.<sup>14</sup> Such aspects, which are material to the Reporting Organisation or its Stakeholders, can extend beyond what would normally be included in these boundaries. These aspects of Sustainability Performance relate to the Completeness Principle where the Reporting Organisation has the ability to influence such performance, e.g. effects of product use.

The Assurance Provider should identify material shortfalls in the Reporting Organisation's understanding of its own performance. The Assurance Provider should also discuss shortcomings of completeness with the Reporting Organisation, which should be encouraged to address them or else reflect the shortcoming in their Report. Failing these options, the Assurance Provider should refer to them in its Assurance Statement.

The application of this principle by the Assurance Provider will be conditioned by the level of Assurance (see 4.1).

### 4.4 Responsiveness (P.3)

The AA1000 *Responsiveness Principle* requires that the Assurance Provider evaluate whether the Reporting Organisation has responded to Stakeholder concerns, policies and relevant standards, and adequately communicated these responses in its Report.

The Responsiveness Principle requires that the Reporting Organisation demonstrate in its Report what it has decided to do in response to specified Stakeholder concerns and interests, and also provide adequate indicators of associated changes in Sustainability Performance. This principle does not require that the Reporting Organisation agrees or complies with Stakeholders' concerns and interests, but that it has responded coherently and consistently to them.

Assurance Providers must evaluate whether the Reporting Organisation has:



- ◆ Decided how it intends to respond to *Stakeholder concerns and interests*.
- ◆ Established associated *policies, targets and indicators*.
- ◆ Demonstrated that it has allocated *adequate resources* to enable it to implement associated policies and commitments.
- ◆ Communicated the above in its Report in a manner that is both *timely and accessible* to Stakeholders.

The Assurance Provider must form an opinion based on the available evidence. Information concerning evidence is supplied by the Reporting Organisation, in addition to other information concerning the views of Stakeholders, as well as industry and other benchmarks.

The application of this principle by the Assurance Provider will be conditioned by the level of Assurance (see 4.1).



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## 5. Evidence

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The Assurance Provider must evaluate whether the Reporting Organisation has provided adequate evidence to support the information contained in the Report.

The Assurance Provider must gather and consider the evidence supporting the information in the Report, as well as the robustness of the systems and procedures underpinning its production and application.

Evidence includes:

- ◆ *Quantitative information about historical performance* and the systems underlying its production. This information should in general be investigated using existing approaches to Assurance procedures common in analysing financial and environmental data.
- ◆ *Qualitative information about historical performance*, such as Stakeholder views, should be investigated to determine in particular the appropriate scope of accounting to satisfy: The materiality of information provided in the Report; the Completeness principle; balance in case selection and the quality of Stakeholder engagement.<sup>15</sup> The Assurance Provider may deem it necessary to engage directly with Stakeholders to assess the quality of evidence provided by the Reporting Organisation. This may include the Assurance Provider deciding on whether a need exists to witness engagement between the Stakeholder and the Reporting Organisation.

- ◆ *Qualitative and quantitative information relevant to assessing the feasibility of targets and other commitments set by the Reporting Organisation in response to Stakeholders' views or existing commitments related to policies and relevant standards. This will include evidence that the organisation has the requisite systems, competencies and resources in place to be able to implement activities designed to meet public policy statements and commitments.*

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## 6. Assurance Statement

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The Assurance Statement should address the credibility of the Report and the underlying systems, processes and competencies that deliver the relevant information and underpin the organisation's performance.

An Assurance Statement, complying with the *AA1000 Assurance Standard*, must cover the following elements:

- ◆ *Statement on use of the AA1000 Assurance Standard*, i.e. that the *AA1000 Assurance Standard* was used by the Assurance Provider and any special features of how the AA1000 Principles were applied during the Assurance process.
- ◆ *Basic description*. This should cover the work undertaken, and in particular describe the level of Assurance pursued, including where different levels have been applied in the Assurance process, as well as a description of the agreed criteria to be used during the Assurance process.
- ◆ *Assurance*. Conclusions as to the quality of the Report and underlying organisational processes, systems and competencies, which must cover whether:
  - i. The Report provides a fair and balanced representation of material aspects of the Reporting Organisation's performance for the period in question (i.e. materiality).

- ii. The organisation has an effective process in place for identifying and understanding activities, performance, impacts and Stakeholder views (i.e. completeness).
  - iii. The organisation has an effective process in place for managing aspects of Sustainability Performance and responding to Stakeholder views, including any significant weaknesses in the underlying organisational processes, systems and competencies (i.e. responsiveness).
  - iv. The Report can be used by the Reporting Organisation's Stakeholders (i.e. responsiveness).
- ◆ *Additional Commentary*, which could cover the following:
- i. Highlighting progress in both Reporting and Assurance since the last Report.
  - ii. Suggestions for improvements in the Reporting Organisation's sustainability Reporting, and their underlying processes, systems and competencies in the next cycle.

The Assurance Provider is also required to make information publicly available about its independence from the Reporting Organisation and impartiality toward its Stakeholders, as well as its own competencies. This information should be provided in the Assurance Statement or related public documents.<sup>16</sup>



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## 7. Assurance Provider Standards

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### 7.1 Assurance Credibility

The credibility of a Report's Assurance relies on the Assurance Provider's competencies, independence and impartiality, as well as the use of appropriate standards, including the *AA1000 Assurance Standard*. The Assurance Provider should aim to be independent of the Reporting Organisation and impartial with respect to the organisation's Stakeholders. Any interests that detract from this independence and impartiality need to be transparently declared by the Assurance Provider.

### 7.2 Assurance Provider Independence

The Assurance Provider must be demonstrably independent from the Reporting Organisation. The Assurance approach and associated contractual framework agreed between the Assurance Provider and the Reporting Organisation must not dilute or unduly influence the ability of the Assurance Provider to fulfil its responsibility to the Reporting entity's Stakeholders.

Many codes and mechanisms exist that might usefully guide Assurance Providers in ensuring independence, depending for example on their professional base, and their institutional and geographic location. Given the diversity of possible Assurance Providers and contexts, the Provider is required to make a public Statement of Independence covering each Assurance assignment that would include:

- ◆ *Declaration of independence* with respect to the Reporting Organisation.
- ◆ *Conflict-of-interest policies* that it adheres to, concerning employment relationships, for example, including any professional codes that it adheres to on a voluntary or mandatory basis.
- ◆ An account of any recent, ongoing or potential *financial or commercial relationships* between the Assurance Provider and the Reporting Organisation, for example, fee-for-service (e.g. consultancy, research, other forms of accounting, Assurance, or advice), governance arrangements and/or ownership (e.g. directorships or shareholdings). This should apply to both the organisations concerned and the individuals involved in the Assurance assignment.

### 7.3 Assurance Provider Impartiality

The Assurance Provider must be impartial in its dealings with the Reporting Organisation's Stakeholders.

Impartiality concerns the ability and willingness of the Assurance Provider to fulfil the agreed Assurance assignment without its understanding, judgement or statements being unduly influenced by the nature of its relationships with the Reporting Organisation's Stakeholders (including shareholders).

Given the diversity of possible Assurance Providers and contexts, the Assurance Provider is required to make public a Statement of Impartiality covering each Assurance assignment that would include:

- ◆ *Declaration of impartiality* with respect to Stakeholder interests.
- ◆ Recent, ongoing or potential financial or commercial relationships between the Assurance Provider and the Reporting Organisation's Stakeholders involving fee-for-service (e.g. consultancy, research, other forms of accounting, Assurance, or advice), governance arrangements and/or ownership (e.g. directorships or shareholdings) or membership. This should apply to both the organisations concerned and the individuals involved in the Assurance assignment.

## 7.4 Individual Competencies

Assurance Providers and the Reporting Organisation must ensure that the individuals involved in any specific Assurance process are **demonstrably competent**. The Reporting Organisation must require the Assurance Provider to be prepared to make information available to interested Stakeholders about the competencies of the individuals involved in any particular Assurance process.

The competencies of any team of individuals providing Assurance should include:

- ◆ *Professional qualifications*, for example skills in handling quantitative data, training in aspects of Assurance, knowledge of specific aspects of performance and impact, e.g. environmental, human rights.<sup>17</sup>
- ◆ *Assurance experience*, particularly prior experience in social and ethical, environmental, economic and financial Assurance.
- ◆ *Area of expertise* covering key dimensions of the information provided and the organisation's context and Stakeholders.

### 7.5 Organisational Competencies

The organisations through which individuals provide Assurance must be able to demonstrate adequate institutional competencies.

This should include:

- ◆ *Adequate Assurance oversight* to ensure that the organisation is undertaking Assurance to the highest possible standards and is not compromised by commercial interests or inadequate competencies. Oversight of Assurance work is required by one or more mechanisms or processes, such as an Assurance Committee, involving people neither undertaking nor directly benefiting from the Assurance work in question.

- ◆ *Adequate understanding of the legal aspects* of the Assurance process, and adequate professional indemnity insurance.
- ◆ *Infrastructure* to ensure the above as well as the secure, long-term storage of Assurance-related material.

Individual Assurance Providers (i.e. not part of any organisation) must ensure that they have equivalent arrangements in place.



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# Annex A. Assurance

## Aspects – Glossary

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### A.1 Reporting Organisation

The Reporting Organisation may be one or more legal organisations, a partnership or network, or a well-defined project or programme.

### A.2 Who Is Assurance For?

Assurance should provide confidence in the Report's underlying information to the Reporting Organisation's Stakeholders, particularly the direct users of the Report.

### A.3 Sustainability Performance

Sustainability Performance refers to an organisation's total performance, which might include its policies, decisions, and actions that create social, environmental and/or economic (including financial) outcomes.

### A.4 Stakeholders

Stakeholders are those individuals and groups that affect and/or are affected by the organisation and its activities. The *operational* definition of Stakeholders used here does not, therefore, include *all* people who may have knowledge or views about the organisation. Organisations will, nevertheless, have many Stakeholders, each with distinct types and levels of involvement, and often with diverse and sometimes conflicting interests and concerns. This is why organisations need systematic processes for managing this complexity in ways that build accountability to Stakeholders and overall performance.<sup>18</sup>

### **A.5 The Report**

The Report is a set of information prepared by the Reporting Organisation about its Sustainability Performance, whether for general publication, targeted external distribution or internal use. This will generally refer to information contained within a specific Report prepared periodically to inform Stakeholders about the organisation's Sustainability Performance. The Assurance Provider may, however, choose to take a wider range of information into account when, for example, the main Report forms part of a broader set of communications on issues and aspects of performance they are assuring.

### **A.6 The Accounting Period**

Assurance covers an agreed Accounting Period established within two clearly defined historical dates. This is typically one year,<sup>19</sup> although the increased use of internet-based Reporting may result in shorter Accounting Periods in the future, and indeed Accounting Periods that may vary for different types of information.

### **A.7 The Assurance Provider**

The Assurance Provider is one or more individuals, or an organisation, contracted by the Reporting Organisation to provide Assurance of their Report.



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# Annex B. The AA1000 Series

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## B.1 The AA1000 Series

The AA1000 Series, which includes the *AA1000 Assurance Standard*, guides organisations in establishing systematic accountability processes that involve Stakeholders in the generation of strategies, policies and programmes as well as associated indicators, targets and communication systems, which effectively guide decisions, activities and overall organisational performance.

## B.2 Defining Accountability

The AA1000 Series defines 'accountability' as being made up of:<sup>20</sup>

- ◆ *Transparency*: to account to its Stakeholders.
- ◆ *Responsiveness*: to respond to Stakeholder concerns.
- ◆ *Compliance*: to comply with standards to which it is voluntarily committed, and rules and regulations that it must comply with for statutory reasons.

These aspects of accountability may in practice have very different drivers, including legal compliance, stated policy commitments, reputation and risk management, and the company's sense of moral and ethical duty.

## B.3 Assurance and the AA1000 Series

The *AA1000 Assurance Standard* is a stand-alone approach to Assurance, and is also an element of the AA1000 Series, and so:

- ◆ Provides the basis for assuring a Report and underlying processes, systems and competencies against the AA1000 Series definition of accountability and associated principles.
- ◆ The core Assurance principles are equivalent to the revised accountability principles underpinning the overall AA1000 Series.<sup>21</sup>

### B.4 AA1000 Assurance Standard Guidance Notes

The *AA1000 Assurance Standard Guidance Notes* are intended to provide detailed guidance in the implementation and use of the *AA1000 Assurance Standard*. A growing number of Guidance Notes are expected, and each set is likely to go through revisions based on practitioner experience and other developments (e.g. regulatory).

### B.5 AccountAbility Technical Committee

The mandate of AccountAbility's Technical Committee is to oversee the development of the AA1000 Series. Its membership includes:

**Paul Monaghan, Co-Chair**  
The Co-operative Bank

**Andrew Wilson, Co-Chair**  
Ashridge Centre for  
Business and Society

**Roger Adams**  
The Association of  
Chartered Certified  
Accountants

**Mark Bateman**  
Investor Responsibility  
Research Center

**Alun Bowen**  
KPMG

**Maria Emilia Correa**  
GrupoNueva

**Alois Flatz**  
SAM Research

**Adrian Henriques**  
Independent  
Consultant

**Vernon Jennings**  
Novo A/S

**Eileen Kohl Kaufman**  
Social Accountability  
International

**Scott Noesen**  
The Dow Chemical Company

**Wendy Poulton**  
Eskom

**Johan Piet**  
Fédération des Experts  
Comptables Européens (FEE)  
TranspaRAability

**Preben Soerensen**  
Deloitte & Touche

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# Endnotes

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- <sup>1</sup> In this document we have used the term 'sustainability' to signify management, Reporting and Assurance across *all* aspects of an organisation's performance, including social and ethical, economic (including financial), and environmental.
- <sup>2</sup> CSR Europe & AccountAbility (2002) *Impacts of Reporting: The Roles of Social and Sustainability Reporting on Organisational Transformation*, CSR Europe & AccountAbility, Brussels ([www.accountability.org.uk](http://www.accountability.org.uk)).
- <sup>3</sup> We have followed the approach recommended by Fédération des Experts Comptables Européens (FEE) in using the term 'Assurance' to cover the broad area that is often called verification, auditing, etc. For a discussion of this and various approaches, see FEE (2002); Section 5.1: 18–21.
- <sup>4</sup> AccountAbility (2003) *The State of Sustainability Assurance – 2003*, AccountAbility, London ([www.accountability.org.uk](http://www.accountability.org.uk)).
- <sup>5</sup> See FEE (2002).
- <sup>6</sup> Italicised and emboldened text is only for ease of reading, and in general highlights summaries of broader statements.
- <sup>7</sup> For examples of current users and uses, see AccountAbility in association with The Ashridge Centre for Business and Society (2002) *AA1000 Conversations: Lessons from the Early Years (1999–2001)*. See also AccountAbility (2003) *The State of Sustainability Assurance – 2003* ([www.accountability.org.uk](http://www.accountability.org.uk)).
- <sup>8</sup> Information concerning current and forthcoming Guidance Notes can be found by viewing ([www.accountability.org.uk](http://www.accountability.org.uk)).
- <sup>9</sup> [www.globalreporting.org](http://www.globalreporting.org).
- <sup>10</sup> See AccountAbility (2002a) *Closing the Assurance Gap*, AccountAbility Quarterly 18, AccountAbility, London ([www.accountability.org.uk](http://www.accountability.org.uk)). See also AccountAbility (2003), and Fédération des Experts Comptables Européens (2002) *Providing Assurance on Sustainability Reports*, FEE Discussion Paper, April 2002 ([www.fee.be](http://www.fee.be)).

- <sup>11</sup> The original accountability principles are described in the Exposure Draft: AccountAbility (1999) *AA1000 AccountAbility Framework: Standards, Guidelines and Professional Qualifications – Exposure Draft*, AccountAbility, London ([www.accountability.org.uk](http://www.accountability.org.uk)).
- <sup>12</sup> The list is not intended to signify a hierarchy of levels of Assurance.
- <sup>13</sup> The GRI Guidelines also highlight the importance of an ‘inclusive’ process of developing indicators and public Reporting to increase the relevance to Stakeholders.
- <sup>14</sup> Equivalent to what the GRI calls ‘full-scope’ Reporting.
- <sup>15</sup> Note that a separate AA1000 Module is being prepared to provide guidance on how best to measure and communicate the quality of Stakeholder engagement.
- <sup>16</sup> There are often limits to the size of the Assurance Statement included with the Reporting Organisation’s public Report. Information on independence should therefore be referred to in the Statement with a reference to where the full Statement of Independence can be found. This latter statement needs to be ‘as freely available’ as the main Assurance Statement.
- <sup>17</sup> AccountAbility’s professional certification programme provides one possible benchmark against which the approach and content of other professional qualifications can be assessed.
- <sup>18</sup> The *AA1000 Accountability Framework* details how an organisation can map its Stakeholders, and build a systematic process of Stakeholder engagement.
- <sup>19</sup> As advocated for example by the GRI Guidelines.
- <sup>20</sup> AccountAbility (1999): 8.
- <sup>21</sup> For existing users of the original AA1000 Framework, the revised accountability/Assurance principles are a consolidation of the original accountability principles, and do not therefore involve any substantive change in direction or meaning.

## Related AccountAbility Publications

**The State of Sustainability Assurance – 2002 (2003).** Cohen, J., Nacamuli, C., Zadek, S.

€60/£40/\$64 – discounted €30/£20/\$32

**Impacts of Reporting: The role of social and sustainability reporting in organisational transformation (2002).** Rubbens, C., Monaghan, P., Bonfiglioli, E., Zadek, S. (with CSR Europe)

€57/£38/\$60

**AA1000 Framework: Standard, guidelines and professional qualification: An exposure draft (1999).** AccountAbility.

€45/£30/\$48

**AA1000: Overview of standard and its applications (1999).** AccountAbility.

€15/£10/\$16

**AA1000 Conversations: Lessons from the Early Years (1999 – 2001) (2002).** AccountAbility and Ashridge Centre for Business and Society.

€45/£30/\$48 – discounted €15/£10/\$16

**Closing the Assurance Gap: The AA1000S Assurance Standard (AccountAbility Quarterly 18).**

€30/£20/\$32 – discounted €16/£10/\$18

**Making Stakeholder Engagement Work: the AA1000 Series (AccountAbility Quarterly 17).**

€30/£20/\$32 – discounted €16/£10/\$18

**Measuring the Quality of Stakeholder Engagement (AccountAbility Quarterly 19).** €100/£65/\$104 – discounted €30/£20/\$32

These publications can be obtained at [www.accountability.org.uk](http://www.accountability.org.uk).

Accountability expresses its thanks to the many organisations and individuals who have supported the work underpinning the development of the AA1000 Assurance Standard, details of which appear on our website.

The AA1000 AS's key characteristics are that it:

- ◆ Covers the full range of organisational performance, i.e. 'sustainability performance'.
- ◆ Examines the completeness of an organisation's understanding/an organisation's knowledge/the internalisation of an organisation's understanding of its own footprint and associated stakeholder views.
- ◆ Focuses on the materiality of subject matter to stakeholders and the accuracy of disclosed information, as well as an organisation's policies and adherence to mandatory regulations.
- ◆ Establishes the basis for public assurance statements that build the credibility of public sustainability reports.
- ◆ Assesses Reporting Organisations' responsiveness to stakeholders, and in doing so interprets reporting as part of an on-going engagement with them.
- ◆ Provides a forward-looking approach that indicates how prepared an organisation is to carry out stated policies and goals, as well as meet future standards and expectations.
- ◆ Supports and integrates approaches to assurance using multiple providers, approaches and standards, including specific compatibility with the Global Reporting Initiative Sustainability Reporting Guidelines.
- ◆ Applies to different types and sizes of organisations and assurance providers from diverse geographical, cultural and social backgrounds.
- ◆ Requires disclosure by assurance providers covering their competencies and relationships with the Reporting Organisation (i.e. client).

