

# Draft World Gold Council Conflict-Free Gold Standard Guidance for Assurance Providers (Assurance Guidance) - summary of proposed changes

18 June 2012

The draft Assurance Guidance (formally known as Assurance Framework) sets out guidance to assurance providers who will be engaged to provide assurance on a company's reporting in accordance with the World Gold Council's Conflict-Free Gold Standard (Standard) which was published on 29 March 2012 as an exposure draft.

## Assurance Guidance Roundtable

The Assurance Guidance was the subject of a roundtable discussion held on 15 June 2012 at the World Gold Council's London office. The purpose was to solicit input on the Assurance Guidance from the assurance profession.

The participating assurance firms were:

Deloitte LLP  
Environmental Resources Management (ERM)  
Ernst & Young LLP  
Inspectorate (A Bureau Veritas Group Company)  
KPMG LLP  
PriceWaterhouseCoopers LLP  
Wardell Armstrong International Ltd

## Proposed changes to the Assurance Guidance

A number of proposed changes to the Assurance Guidance were discussed at the roundtable. Those present at the roundtable also recognised that changes that might be made to the Standard itself arising from the current consultation period would also potentially give rise to changes in the Assurance Guidance.

The key points arising from the roundtable discussion are summarised below.

### In terms of overarching themes, the following was agreed:

1. Assurance Guidance to be re-named 'Assurance Guidance for Assurance Providers'
2. Inclusion of an introductory section which addresses the following (in non-technical language):
  - Definition and purpose of assurance in relation to the Standard;
  - Descriptions of the different levels of assurance (limited and reasonable) and what this may mean in a practical sense;
  - Relationship between the Assurance Guidance, the Standard and other related publications issued by the World Gold Council; and
  - The key responsibility of the parties involved in the company's reporting (i.e. the company, assurance provider, and other stakeholders).

# Draft World Gold Council Conflict-Free Gold Standard Guidance for Assurance Providers (Assurance Guidance) - summary of proposed changes

18 June 2012

## Additional guidance to be included on the following:

1. Use of recognised assurance standards (not limited to ISAE 3000);
2. Clarity around the Standard's requirements being sufficient and not requiring re-assessment by assurance providers for each engagement;
3. Non-conformances and remedial actions plans;
4. Modified assurance conclusions;
5. Assurance in relation to a company's implementation of the Voluntary Principles on Security and Human Rights; and
6. Assurance in relation to how a company defines its reporting boundaries for joint ventures and acquisitions/divestments.

## Specific recommendations

1. Separate section to be included on the scope of the assurance engagement;
2. Replace references to 'statement of conformance' with 'management's conclusion' for the Conflict-Free Gold Report disclosures;
3. Specify that assurance providers retain assurance evidence for a given period of time;
4. Specify that assurance firms should have in place or abide by standards for quality control, ethics and independence;
5. For limited assurance engagements, a summary of assurance procedures should be disclosed within the assurance report;
6. Declaration by the assurance provider in the assurance report that they have the sufficient competencies and industry experience (listed on page 5 of the Standard) to carry out the assurance engagement; and
7. Within the assurance report template, a reference made to where the company's methodology can be found (if applicable).

## First year review

The roundtable discussed the benefits of assurance providers re-convening following the first full cycle of assurance engagements. The purpose of this would be to discuss recommended amendments to the Assurance Guidance and further encourage the global consistency in the application of assurance to the Standard as implemented by companies.