

INTEGRATED REPORTING <IR>



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**Assurance on <IR>
Roundtable**



BRUSSELS
16 October 2014

Agenda

- 11.00 Welcome and introduction
- 11.05 Keynote speech
- 11.20 Overview of IIRC papers
- 11.35 Questions for clarification/key issues
- 11.45 Debate opening
- 12.00 Panel perspectives
- 12.45 Lunch with break-out sessions
- 14.00 Q&A and debate
- 14.45 Closing remarks

Welcome

Jean-Charles de Lasteyrie
FEE Vice President & IIRC Member



Keynote

Richard Howitt
MEP



Overview

Michael Nugent
Technical Director, IIRC



Fundamentals

<IR> is consistent with developments in financial and other reporting, but an integrated report also differs from other reports and communications in a number of ways.

In particular, it focuses on the ability of an organization to create value in the short, medium and long term, and in so doing it:

- Has a combined emphasis on conciseness, strategic focus and future orientation, the connectivity of information and the capitals and their interdependencies
- Emphasizes the importance of integrated thinking within the organization.



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Assurance and the IIRC

- Discussion paper and Consultation Draft
- Suitable criteria
- Aims of <IR>
 - Quality of information
 - Corporate reporting
 - Broad base of capitals
 - Value creation over time



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Credibility and trust

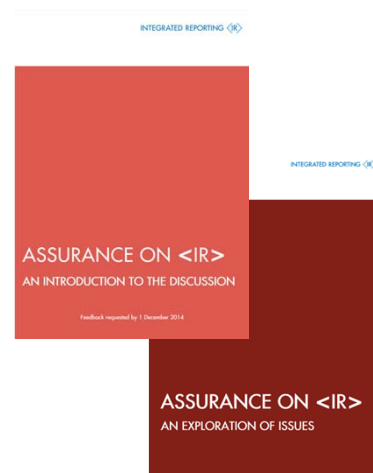
- “Investment grade” reports
- Assurance = enhanced confidence
- Other mechanisms, e.g.:
 - Leadership
 - Internal systems
 - Internal audit
 - Stakeholder involvement

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- Start the debate
- Roundtables
- Responses – December
- Summary early 2015
- Next steps



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Overview

- Introduction to the Discussion
 - About <IR>
 - Benefits of assurance
 - Practical and technical challenges
- Exploration of Issues
 - Fundamental assurance concepts
 - Analysis of the Framework
 - Assurance standards for <IR>
 - Methodology issues

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Stakeholders

	Accountants	Others
Technical issues	IAASB, national standard-setters, and accounting firms	Other standard-setters and non-accountant practitioners
Policy and other issues	IFAC, IFAC Boards, and national / regional bodies	Investors, report preparers, academics, regulators, civil society

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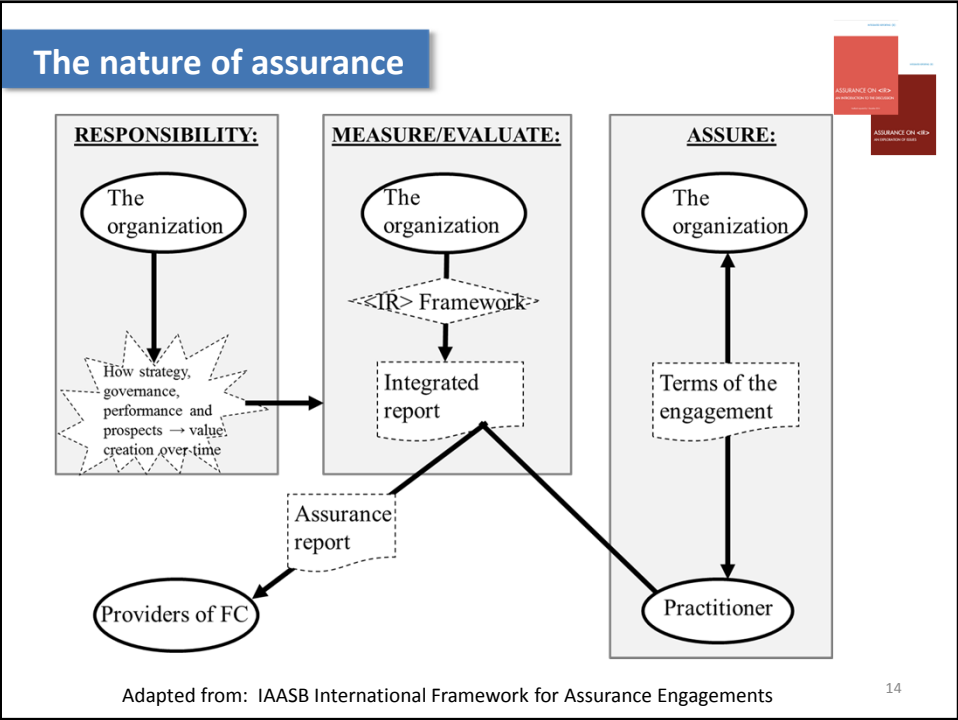
Implementation challenges

1. The nature of assurance
2. Competent practitioners
3. Robust internal systems
4. The cost of assurance

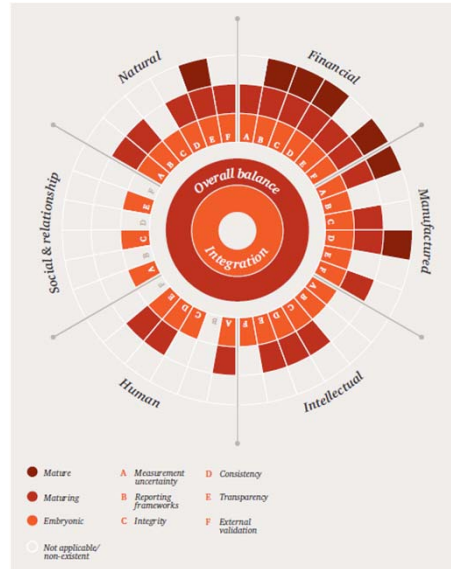


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PwC “Inspiring trust through insight”



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Implementation challenges

1. The nature of assurance
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Technical challenges




1. Methodology issues
 - Materiality
 - Reporting boundary
 - Connectivity
 - Completeness
 - Narrative reporting and future-oriented information
2. Levels of assurance
3. Using existing assurance

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Levels of assurance



100 % — Absolute assurance (unattainable)

“Reasonable” (audit) — “In my opinion ... “

Limited (review) — “Based on the work I have done, nothing has come to my attention ...”

0 % — No assurance

CONSIDER:

Types of disclosure

- Quantified measurements
- Factual narrative
- Soft narrative
- Quantified estimates
- Qualitative estimates
- Diagrams

Judgements, e.g.:

- Connectivity
- Quality of systems
- 3rd party evidence

Role of stakeholder engagement

Completeness

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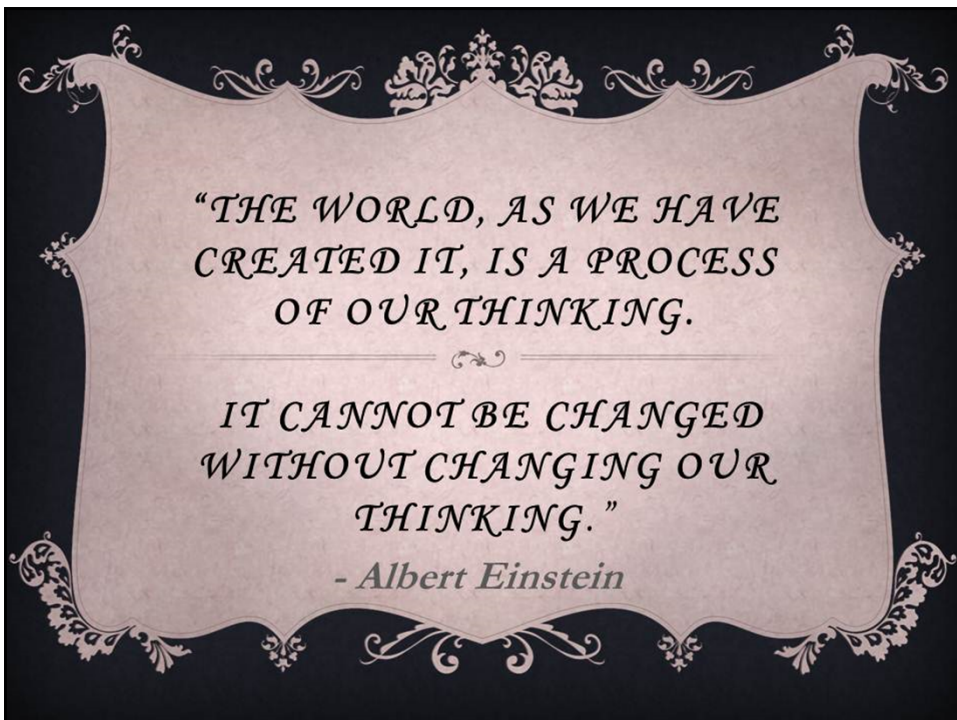
Debate opening

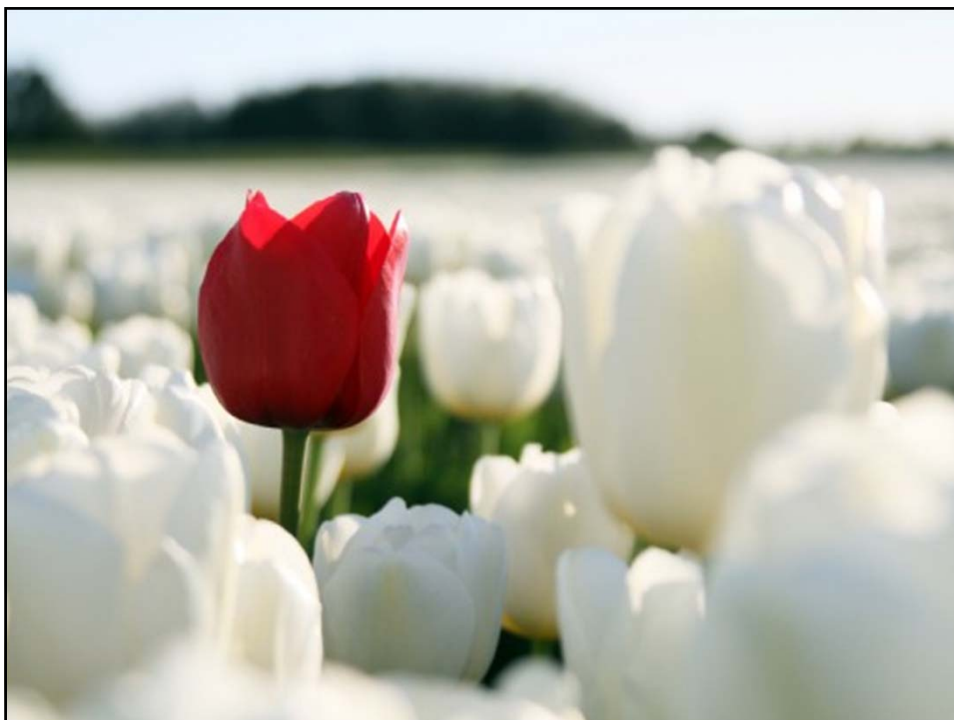
Hugo Hollander

Integrated Reporting Solutions
Global Leader, EY



<http://www.youtube.com/watch?v=MEaJYeRpl1g>





Thank You

Hugo Hollander

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Panel members

- **Moderator:** Roger Simnett, IIRC
- Ralf Frank, DVFA
- François Passant, Eurosif
- Chiara Mio, Ca' Foscari University

Table discussion

Implementation challenges

1. The nature of assurance
2. Competent practitioners
3. Robust internal systems
4. The cost of assurance
5. Other?

Technical challenges

1. Methodology issues
 - Materiality
 - Reporting boundary
 - Connectivity
 - Completeness
 - Narrative reporting and future-oriented information
2. Levels of assurance
3. Using existing assurance
4. Other?

Feedback themes

Implementation challenges:

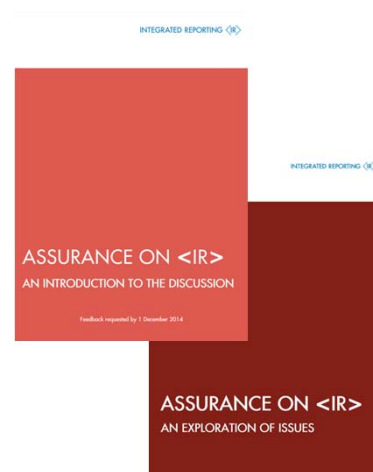
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Technical challenges:

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 - Completeness
 - Narrative reporting and future-oriented information
2. Levels of assurance
3. Using existing assurance
4. Other?

Wrap up

- www.theiirc.org/assurance
- Join the debate on the <IR> LinkedIn group
- Submit a response to assurance@theiirc.org by 1 December 2014



Closing remarks

Olivier Boutellis-Taft
Chief Executive, FEE

