

The International Integrated Reporting Committee  
Att. Professor Mervyn E. King  
Chairman IIRC

[www.theiirc.org/consultationdraft2013](http://www.theiirc.org/consultationdraft2013)

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## **IIRC Consultation Draft of the International Integrated Reporting <IR> Framework**

The Norwegian Institute of Public Accountants “Den norske Revisorforening” (DnR) is pleased to respond to the IIRC invitation to comment on the Consultation Draft of the International Integrated Reporting <IR> Framework.

We are committed to promote the consistent application of high quality audit, corporate reporting and accounting practices. We welcome initiatives designed to advance these objectives. DnR believes that the debate on integrated reporting is an important development and a valuable contribution to corporate reporting. We therefore support the initiatives of the IIRC. The financial crisis and its aftermath has shown that corporate reporting, particularly relating to the information provided to capital markets, needs to be re-evaluated and reconsidered. The increasing complexity, diversity and volume of information make access to relevant information more difficult. This is a cause of increasing frustration for both investors and other users of corporate reporting.

A properly constructed integrated report <IR> will help to clarify and enhance corporate reporting in such a way that it adds value to investors and other stakeholders. The development of a properly designed and globally accepted Framework is an essential step in this direction.

1. We support to identify investors and other providers of financial capital as the primary intended report users. This will facilitate the process of addressing user needs and priorities when determining disclosure priorities in the <IR>.
2. DnR supports the market driven approach to the development of a principles based framework for integrated reporting, as reflected in the CD Framework. DnR does not support any move to set detailed rules for <IR>. We urge the IIRC to continue to seek broad stakeholder involvement through consultation and work towards expanding its practical experience of the use of <IR>. The Emerging <IR> Database, launched by the IIRC, will be an important tool in this regard.
3. DnR notes that the CD Framework refers to independent external assurance as one of the mechanisms to enhance the reliability (Section 3E paragraph 3.31) and credibility of information (Section 5E paragraph 5.20). The role of the accountancy profession is important to ensure the reliability of reported


information. DnR believes that the acceptance and credibility of <IR> can be considerably enhanced through the provision of independent assurance on the reported information. Stakeholders demand reliable information. The independent assurance process can provide assurance on the reliability of the reported information. However, consideration of the level and nature of assurance needs to be studied carefully in the light of the information to be provided in <IR> and importantly, in the supporting reports to <IR>. Auditors and accountants are well placed to advance further reflections on these issues.

4. Section 1 paragraph 1.18 refers to the interaction of <IR> with other reports and communications. The IIRC needs to further consider how to develop the interconnectivity between <IR> and other essential reports. It is important that <IR> must contribute to better, not more, corporate reporting.
5. Section 3D refers to Materiality and Conciseness. These are both fundamental guiding principles in successful reporting. Materiality is also of considerable importance when determining conciseness as a guiding principle. DnR believes that acceptance of the materiality concept and determination process in the Framework will be essential for the success of <IR>.
6. Section 3D paragraph 3.24 refers to “capitals” when considering whether a matter is material (substantively affects), but does not explicitly link the capitals to the entity’s strategy and business plan and hence to value creation for the stakeholders of the entity. DnR believes that this link should be further developed in the Framework. The identification of relevant capitals in an entity should commence with an evaluation as to whether the employment of these capitals adds value.
7. DnR recognizes that the Framework is not designed to provide detailed answers or disclosure rules. Therefore in addition, we support the use of the Pilot Programme to provide input to the further development of the <IR> Framework. A continuation of the Pilot Programme will test the practical applicability of the Framework and also help to identify what information is relevant and realistic to incorporate in the <IR> and that will be of long term use to investors and other stakeholders.
8. The Pilot Programme also will help to identify assurance issues. Both auditors and the users of <IR> need to consider what should be subject to an assurance report and at what level such reporting would be desirable.

For responses to the detailed questions in the CD we support the appendix to the comment letter from The Nordic Federation of Accountants where DnR is one of the members.

We are committed to contribute to the success and necessary development of integrated reporting. DnR is happy to discuss <IR> further with you. Please contact Mr. Espen Knudsen on telephone +47 41323438 or email [Espen.Knudsen@revisorforeningen.no](mailto:Espen.Knudsen@revisorforeningen.no).

Yours sincerely,

  
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