9 December 2014

Mr Paul Druckman
Chief Executive Officer
The IIRC   assurance@theiirc.org

Dear Paul

Assurance on <IR>

The Group of 100 (G100) is an organization of chief financial officers from Australia's largest business enterprises with the purpose of advancing Australia's financial competitiveness and is pleased to comment on the consultation document.

Q1. *What priority should be placed on assurance in the context of driving credibility and trust in >IR>?*
While the G100 believes that assurance processes are an important factor in developing credibility and trust in corporate reporting, we consider that it is too early in the integrated reporting process to give a high priority to the development of assurance requirements. Rather, we believe that appropriate assurance processes will evolve with experience in presenting an integrated report.

Q2. *What are the key features of assurance that will best suit the needs of users of integrated reports in years to come?*
The key features of assurance as practice evolves will be independence of the assurance provider and the scope and nature of the assurance activity undertaken.

Q3. *Is the availability of suitably skilled and experienced assurance practitioners a problem in your jurisdiction, and if so what needs to be done, and by whom, to remedy the situation?*
The availability of appropriately skilled and experienced assurance providers may present challenges. However, we believe that as practice evolves in developing and presenting the integrated report assurance providers will likewise develop the broad range of skills required as has occurred in respect of providing assurance on sustainability reports.

Q4. *What needs to be done, and by whom, to ensure the quality of assurance on <IR> is maintained at a high level, including practitioners' adherence to suitable education, ethical (including independence), quality control and performance standards?*
The G100 believes that, initially, the expectations and response of users of integrated reports will influence the quality and nature of the assurance sought by companies.

Q5. *Is the robustness of internal systems a problem, and if so what needs to be done, and by whom, to remedy the situation?*
We do not anticipate that the robustness of internal systems will impede the development of assurance processes.

Q6. *Is assurance likely to be a cost effective mechanism to ensure credibility and trust over (a) the short/medium term; (b) the long term?*
The G100 believes that this depends on the approach taken, for example, mandating an assurance requirement and processes will not be cost-effective in the short-term as it would impose a "one-size-fits-all" approach while the integrated reporting process is evolving. However, as referred to above in Q1, assurance is important to the credibility of the report and the nature of the assurance should also evolve as companies respond to market forces and expectations.

Q7. *If so, what needs to be done, and by whom, to maximise the net benefits of assurance?*
The G100 believes that, initially, reliance should be placed on the assurance processes which are currently applied in the review of the Operating and Financial Review, Management Discussion and Analysis and similar reports before any formal assurance requirements and processes are introduced.

Q8. *Should assurance standard setters develop either or both (a) a new assurance standard; (b) guidance, to ensure consistency of approach to such issues?*
The G100 believes that it is too early to attempt to develop an assurance standard because it is not yet clear how the integrated report will evolve. As this evolution is described as a "journey", different companies will be at different stages of the process and the imposition of an assurance standard is likely to impede rather than progress development.

In time, with the benefit of experience, the development of an assurance standard may be appropriate. However, until that need occurs, it may be useful to develop guidance material.

Q9. *Should any such standard/guidance be specific to <IR>, or should it cover topics that are also relevant to other forms of reporting and assurance, eg should a standard/guidance on assuring narrative information, either in an integrated report or elsewhere, be developed?*
No. See response to Q8.

The G100 suggests that the standard/guidance should be general and outline principles that are relevant for reporting quantitative and qualitative information and should not be specific to integrated reporting.

Q10. *What are the (a) key challenges and (b) proposed approaches that assurance standard setters should consider with respect to:*
- *Materiality?*
- *The reporting boundary?*
- *Conncectivity?*
- *Completeness?*
- *Narrative reporting and future-oriented information?*

See response to Q8 above.

Q11. *What other technical issues, if any, specific to <IR> should be addressed by assurance standard setters?*

See response to Q8 above.

Q12. *What are the (a) key challenges and (b) proposed approaches that assurance standard setters should consider with respect to:*
- *Reasonable assurance?*
- *Limited assurance?*
- *Hybrid engagements?*
- *Agreed-upon procedures engagements?*
- *Other approaches?*

The G100 does not believe that standard-setters should be considering these approaches at present. Rather, assurance processes should be permitted to evolve in response to market forces and foster an environment where directors and managers have the freedom to determine the most appropriate form of assurance consistent with the circumstances of the company.

The DP at paragraph 5.22 dismisses the 'balanced and reasonable' approach proposed by the Institute of Chartered Accountants in Scotland as not being possible without explaining why. We consider that this is a disappointing approach to take in a paper addressing/exploring issue related to the type and nature of assurance.

Q13. *What are the (a) key challenges and (b) proposed approaches that should be considered, and by whom to ensure assurance on <IR> pays due regard to other assurance processes?*

The G100 believes that the key challenge is to avoid seeking to solve problems that do not necessarily exist at this stage of IR development. In this regard practice should be permitted to develop and good practice which meets market expectations will induce improved practice generally.

Sincerely
Group of 100 Inc

Neville Mitchell
President