

December 1, 2014

Mervyn King  
Chairman  
International Integrated Reporting Council  
Submitted via [www.assurance@theiirc.org](mailto:www.assurance@theiirc.org)

Re: Assurance on <IR>

Dear Mr. King,

The World Intellectual Capital/Assets Initiative (WICI) is pleased to comment on the *Assurance on <IR>: An Exploration of Issues* discussion Paper. We would like to commend the International Integrated Reporting Council (IIRC) on raising awareness of the issues related to providing assurance on <IR>, and soliciting feedback from key market constituents on this topic.

WICI supports the IIRC's voluntary, globally relevant framework and its coverage of both tangible and intangible assets to better enable companies to communicate how they create value over time. WICI believes that relevant corporate reporting must cover not only financial and manufactured capital, but also intellectual/organizational, human, social and relationship and natural capitals, as called for under the International <IR> framework. The members of the WICI network also believe that meaningful assurance on <IR>, provided in accordance with high-quality, internationally accepted assurance standards such as those promulgated by the International Auditing and Assurance Standards Board (IAASB) and recognized national assurance standards setters, is essential to ensuring credibility, just as it is for traditional financial reporting.

Given WICI's focus on the management and reporting of value creation through intangible assets, our comments will focus on the need for a new approach to assurance to match <IR>'s new approach to reporting, as well as some of the technical challenges that must be taken into consideration in the development of an assurance methodology that works for <IR> (for example determination of materiality, the connectivity of information, the inclusion of non-financial information, and electronic Internet delivery).

Given the nature (often non-financial and/or narrative) and scope (covering not only financial and manufactured capital, but also natural, social and relationship, human and intellectual capitals) of <IR>, traditional methods of financial statement audit alone will not suffice in enabling meaningful assurance of <IR>. New and innovative approaches should be (and are being) considered by international and national audit and assurance standards setters, who should develop standards or guidance for the auditing profession to follow in performing consistent, high quality engagements on <IR>. Assurance on <IR> requires new skills and competencies that complement and build on the core assurance skillset of financial statement auditors, and synergies can and should be achieved in both the reporting and assurance of financial and non-financial information, including information delivered electronically.

With respect to some of the key technical challenges that assurance standard setters should consider, WICI proposes the following:

- Materiality should be seen from the viewpoint of a company-specific value creation mechanism, and is linked to value creation in the eyes of the users. Therefore, assurance needs to focus on to what extent <IR> describes material elements for the company's specific value creation.
- Connectivity is not necessarily just the connection between each material element. Instead, the focus of connectivity should be the complete story of value creation as a result of all connected elements.
- Narrative reporting should allow many types of styles as long as <IR> effectively explains the value creation of the company in a way where many users can easily understand the substance.
- Consideration of electronic Internet delivery methods using both structured and unstructured formats that may be secured using digital signatures.

We appreciate the efforts of the IIRC to articulate the important challenges and considerations related to meaningful assurance on <IR> in the IIRC *Assurance on <IR>* paper, as well as the opportunity to share our views thereon. Please do not hesitate to contact us should you require any further clarification.

Sincerely,



Amy R. Pawlicki  
Chair  
WICI Global

**About WICI**

**WICI is a Global Network of Organizations Committed to More Meaningful Management and Reporting of Intangible/Intellectual Capital and Assets. WICI was formed in November 2007 by organizations representing companies, analysts and investors, the accounting profession and academia who collaborate together to promote better corporate reporting by improving the reporting of intellectual assets and capital. The WICI Network operates through its regional and national jurisdictions in North America, Europe and Asia. For more information, please visit [www.wici-global.com](http://www.wici-global.com).**