Knowledge Generation Working Group

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Question	Comment
Q1. What priority should be placed on assurance in the context of driving credibility and trust in <IR>?	As the concept of Integrated Reporting is the integrated thinking, it is almost mandatory that the assurance process goes beyond the report itself. For this reason, and as it would be necessary for the assurance practitioner to accompany the whole development of the integrated report (e.g. the definition of materiality and the reporting boundary), the assurance process is of high priority and urgent, since there are already published and in development reports and the assurance is imperative in a corporate credibility procedure. Therefore, users need to be confident in the data they are using to rely on an integrated report as a source of information for decision-making. At the same time, these users must be identified and together with regulators, preparers and assurance practitioners they should highlight their expectations and material requirements.
Q2. What are the key features of assurance that will best suit the needs of users of integrated reports in years to come?	At first, it will be important to understand and align the expectations of users and make sure that the assurance standard is grounded in a credible body's principles and concepts. The key features of assurance that can be fundamentally explored by <IR> will probably be related to reliability, use of relevant information, risk reduction, independent view of the information released by the company, materiality, check of the metrics used and standardization.
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?	In Brazil, specifically in São Paulo, there are assurance practitioners with the required skills because the profile desired is basically of a sustainability report auditor, that is a professional that already deals with non-financial matters but in most times have a financial assurance background. Nevertheless, the <IR> concept is totally different from the existing assurance standards, so even the professionals that are familiarized with non-financial information, will need to be qualified. In jurisdictions that this profile is absent, a palliative measure would be to create multidisciplinary work teams, with financial and non-financial practitioners.

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 aducational, ethical (including independence), quality control and performance standards?	To ensure the quality of assurance on <IR>, it should be used the already existent structure that regulates the accountant profession, internationally and in each jurisdiction. There are consolidated standard setters in this field, already organized as a world net. IAASB, the jurisdictional-specific assurance standard setter, and the accountancy profession regulator should head it.
Q5. Is the robustness of internal systems a problem, and if so what needs to be done, and by whom, to remedy the situation?	Clearly, at least in Brazil, it is a massive problem, but not only faced by integrated report preparers. This issue already exist in companies and they come across this challenge for instance when gathering information for sustainability reports. The companies that will prepare the reports must care about it, because it deals above all with the capacity to manage and monitor the company's indicators and any weakness faced by the system could compromise this entire process. Besides, major industry bodies from each sector should also encourage the companies and work towards measurement standardization. At the same time, after the assurance process, the practitioners might address a recommendations report highlighting the improvement topics identified in the internal systems.
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?	In a first glimpse, the assurance is only an additional cost, but during the assurance processes and after the report delivered, it represents credibility and trust to users. In the long term, it is even more impactful because its transparency and credibility gets tied with the brand.
Q7. If so, what needs to be done, and by whom, to maximize the net benefits of assurance?	To maximize the benefits of assurance, the practitioners must be aligned and ensured by an international assurance methodology and by a consolidated assurance standard setter. Besides, practitioners must be trained in the <IR> concepts and principles.
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 existing standards (e.g. ISAE 3000) can be used in the short term, eventually with a guidance to conduct the procedures applying the <IR> concepts and principles, since there are already companies that are using <IR> and the development of a new assurance standard will take a long time. At the same time, the construction of a new standard in medium to long term is appropriate, because some of the <IR> concepts are unique and do not exist in corporate reporting environment.

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, e.g., should a standard/guidance on assuring narrative information, either in an integrated report or elsewhere, be developed?	Since the <IR> principles are unique, the new assurance standard/guidance suggested in the previous question should be specific to integrated reports, following <IR> concepts and principles.
Q10. What are the (a) key challenges and (b) proposed approaches that assurance standard setters should consider with respect to: Materiality? The reporting boundary? Connectivity? Completeness? Narrative reporting and future-orinted information?	Assurance standard setters' main task will be to develop <IR> assurance standard and guidance to avoid misinterpretation and make specific disclosure requirement for all <IR> principles and concepts. Materiality To validate the materiality, the assurance practitioner must accompany their development. At the same time, in order to get evidences to ensure that this concept is in the assurance engagement, the preparer must clearly document and explain the process it used to define financial and especially non-financial materiality. The reporting boundary Assurance standard setters must standard whether assurance should be obtained in relation the process of preparing the integrated report or the report itself. In both ways, the process of arriving at a given report boundary needs to be documented and explained in detail. Connectivity It is important to assure that the separated components reported, such as financial, sustainability and operational matters, with different risks and approaches without losing the holistic approach inherent to <IR>, that's why it will require a robust methodology. Assurance standard setters need to provide a more specific guidance on how to determine whether sufficient connectivity is demonstrated in an integrated report and also which are the evidences that can be accepted by assurance practitioners. Besides, need to clarify how to classify each type of disclosure (as shown in Appendix 2) without losing connectivity. Completeness Assurance standard setters and the IIRC needs to provide disclosures defining how to express a conclusion about the completeness and to guarantee that the report is free from bias. Narrative reporting and future oriented information The IIRC and assurance standard setter must provide more detailed guidance on how to express a conclusion about future oriented information.

Q11. What other technical issues, if any, specific to <IR> should be addressed by assurance standard setters?	Other technical issues can be related to how to standardize professional judgment around quantified estimates and how to assure 'relevance' and 'understandability' if it strongly depends on users' perceptions.
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? Others approaches?	The nature of an assurance engagement will vary form one jurisdiction to another and also will depend on the knowledge levels of users and preparers. Assurance standard setters should provide a guidance on whether to use this two levels of assurance and how to mix more than one engagement without losing connectivity.
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 challenge is to accompany the development and growth of this 'market', as some companies already published their integrated report, in an organized and standardized manner, to fulfill the preparers and users expectations.