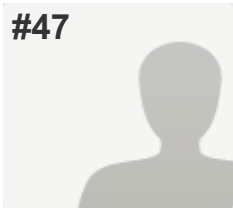


#47

**COMPLETE****Collector:** Web Link 1 (Web Link)**Started:** Monday, April 24, 2017 3:36:50 PM**Last Modified:** Tuesday, May 02, 2017 10:53:06 AM**Time Spent:** Over a day**IP Address:** 108.171.128.188

PAGE 1: Contact Details

Q1: Name

Nick Topazio

Q2: Email

nick.topazio@aicpa-cima.com

Q3: Organization

The Association of International Certified Professional Accountants

Q4: Country/ Region

United Kingdom

Q5: Stakeholder Group

Professional body/industry group

Q6: Any preliminary or introductory comments (Example: If the response is the result of a focus group, please indicate attendees and their respective stakeholder groups).

More widespread adoption of the integrated reporting principles would be accelerated with a robust business case identifying the connection between <IR> and long term sustainable success.

Our experience is that there is a wide variation in the quality of integrated reports. There are some that are very good whereas others seem to be integrated reports only in name. Most are on a journey. The best focus on the business model to link value creation and strategy to incentives and recognize the importance of relationships with key stakeholders and the wider business ecosystem. These reports demonstrate a thorough understanding of the value that the organization creates and it is created.

PAGE 2: Multiple capitals

Q7: Q1(a) What is your experience with the multiple capitals approach in integrated reports?

Some find the Framework's multi-capital approach difficult to relate to how their business creates value, in particular the use of the term 'capital' in so far as it relates to the non-financial aspects of value creation.

Q8: Q1(b) What, if anything, should be done and by whom to improve this aspect of implementation?

The IIRC should use succinct explanations of this concept to promote broader understanding. In particular there should be an emphasis on only focusing on those capitals that are material to value creation for the reporting organization. Using the business model to help articulate value creation and focus on relevant resources and relationships should be encouraged.

PAGE 3: Connectivity and integrated thinking

Q9: Q2(a) What is your experience with connectivity in integrated reports as an indication of integrated thinking and/or enabler of enhanced decisions?

'Joining the Dots', our survey of 300 C-level executives from 16 countries showed that 48% said that they were struggling to balance their short, medium and long term objectives as they make key decisions about their organizations' futures. Assisting with this challenge of thinking in an integrated or connected way is one of the biggest benefits that the principles underlying <IR> can bring.

Q10: Q2(b) What, if anything, should be done and by whom to improve this aspect of implementation?

Again, using the business model to link activities with the purpose of the organization, performance and incentives will help improve connectivity.

PAGE 4: Key stakeholders' legitimate needs and interests

Q11: Q3(a) What is your experience with the identification, in integrated reports, of key stakeholders' legitimate needs and interests and how those needs and interests are considered and addressed?

Our 'Joining the Dots' survey found that although 45% of executives say that it is highly important to appreciate the importance when setting strategy of assessing the needs of a wider group of stakeholders, only 23% rate themselves as highly effective in doing so.

Q12: Q3(b) What, if anything, should be done and by whom to improve this aspect of implementation?

Additionally, our experience is that the identification of key stakeholders does not always focus sufficiently only on those stakeholders that are material to long term value creation. Using knowledge of the business model as a tool to focus reporting should be promoted and encouraged. Organizations need to be reminded that one of the principles of <IR> is conciseness. Developing robust procedures to identify material stakeholders will not only assist with conciseness of reporting but crucially can also assist with long term value creation itself.

PAGE 5: Materiality and value creation

Q13: Q4(a) What is your experience with the Framework's definition of materiality, in particular: • Application of the value creation lens? • Use of different time periods to identify material matters?

Respondent skipped this question

Q14: Q4(b) What, if anything, should be done and by whom to improve this aspect of implementation?

We believe that organizations should focus on their own long-term value creation in this regard. However, in doing so there should be a broad-ranging view of the factors that could impinge on the organization's ability to create value for itself in the long-term i.e. value creation or destruction for others.

PAGE 6: Conciseness

Q15: Q5(a) What is your experience with the conciseness of integrated reports?

In our experience, integrated reports generally fail to be concise. Although, it is important to be able to 'drill down' within reports it must be remembered that these reports need to be user-friendly to be useful. In short they need to balance conciseness with content. However, reporters can be reluctant to leave something out for fear of creating a liability issue.

Q16: Q5(b) What, if anything, should be done and by whom to improve this aspect of implementation?

We suggest that the IIRC explore wording with lawyers in relevant jurisdictions that would enable those charged with governance to issue a document that is a summary of material matters without creating a liability risk for omissions. In addition, we believe that conciseness can be helped by the transfer of 'standing data' to a website with appropriate links from the integrated report.

PAGE 7: Business model – outputs and outcomes**Q17: Q6(a) What is your experience with the reporting of business model information, particularly outputs and outcomes?**

Respondent skipped this question

Q18: Q6(b) What, if anything, should be done and by whom to improve this aspect of implementation?

Understanding how an organization creates value is key to reporting business model information effectively. A thorough understanding of value creation needs to take into account the business environment in which the organization is operating, its ecosystem. The CGMA white paper 'Rethinking the Business Model' describes a framework that can be used to understand and articulate an organization's business model. The Association of International Certified Professional Accountants will shortly be issuing a consultation document that seeks views on this framework from all interested parties.

PAGE 8: Those charged with governance / Framework identification**Q19: Q7(a) What is your experience with whether reports: (i) identify the involvement of those charged with governance, and (ii) indicate that they are presented in accordance with the Framework? What are the implications of excluding such information?**

In most jurisdictions there are clear sign-off procedures and processes with respect to reports that comply with financial reporting standards, such as IFRS and US GAAP, and national legislative requirements. This is not generally the case for reports intended to comply with the <IR> Framework.

Q20: Q7(b) What, if anything, should be done and by whom to improve these aspects of implementation?

The IIRC needs to recognize that clear sign-off procedures and processes are not widespread with respect to integrated reports and encourage those charged with governance to explain the process of approving their integrated report while accepting the need to take care with legal liability concerns. The IIRC could look at procedures and safeguards in the UK used to approve the Strategic Report and promote these in other countries.

PAGE 9: Other Guiding Principles

Q21: Q8(a) What is your experience with the application of these remaining three Guiding Principles in integrated reports?

Our experience through involvement with the PwC Building Public Trust Awards in the UK is that there is an emphasis on consistency and comparability whereas the two remaining guiding principles seemed to be followed more often in good years than in bad years.

Q22: Q8(b) What, if anything, should be done and by whom to improve these aspects of implementation?

In the UK, the Financial Reporting Council has the remit to review and require companies prepare their Strategic Report and financial accounts on a fair, balanced and understandable basis. We believe that this is important and a model that should be explored further in respect of integrated reporting in jurisdictions where this is possible.

PAGE 10: Other Content Elements**Q23: Q9(a) What is your experience with how these remaining Content Elements are reported in integrated reports?**

Respondent skipped this question

Q24: Q9(b) What, if anything, should be done and by whom to improve these aspects of implementation?

The requirement for UK reports to be 'fair, balanced and understandable' seems to us to be a basis that could lead to improve in this aspect of implementation.

PAGE 11: Other quality issues**Q25: Q10(a) Aside from any quality issues already raised in Q1-Q9, what is your experience with the quality of integrated reports?**

Our experience is that there is a wide variation in the quality of integrated reports. There are some that are very good whereas others seem to be integrated reports only in name. Most are on a journey. The best focus on the business model to link value creation and strategy to incentives and recognize the importance of relationships with key stakeholders and the wider business ecosystem. They are clearly the result of a belief at the highest levels within the organization of the importance of <IR>.

Q26: Q10(b) What, if anything, should be done and by whom to improve this aspect of implementation?

The IIRC can help to raise the overall quality of integrated reports by promoting country-by-country and/or international awards that recognize integrated reporting excellence. We further suggest that the IIRC emphasize that strategy and its implementation should be anchored in the business model with integrated reports.

PAGE 12: Other enablers, incentive and barriers**Q27: Q11(a) What is your experience with enablers, incentives or barriers to Framework implementation not covered by other questions, including the extent to which they apply particularly to: • Specific jurisdictions? • Large or small organizations? • Private, public or non-profit sectors? • Different stages of Framework implementation?**

Respondent skipped this question

Q28: Q11(b) What, if anything, should be done and by whom to improve these aspects of implementation?

We support IFAC's position that an Integrated Report can be used as an umbrella report for an organization's broad suite of reports and communications. However, the Integrated Report should primarily be focused on how an organization creates value over the short, medium and long-term.

We maintain that <IR> is good for all sizes of organization from all sectors in all jurisdictions. The Frameworks focus on investors as they main audience does not emphasize the broad nature of its applicability especially to the non-profit sector.

The IIRC should continue with a principle-based market led approach seeking regulatory support promoting the support that <IR> gives to long term value creation.
