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## Integrated reporting

### Chartered Institute of Internal Auditors

Integrated reporting is a process that concisely communicates how an organisation's strategy, governance, performance and opportunities lead to the creation of value over time. This enables a more informed decision making processes and advances a more sustainable global economy.

#### Integrated reporting aims to:

1. Improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital.
2. Promote a more consistent and efficient approach to corporate reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of an organisation to create value over time.
3. Enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their interdependencies.
4. Support integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term.

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#### Enhanced integrated reporting: internal audit value proposition

A European Task Force was initiated in April 2014 by several institutes to clarify why and how internal auditors can help build an efficient integrated reporting process and meet the need for assurance.

It has published a **set of recommendations** based on the International Practices Framework (IPPF) of IIA Global and a literature review on integrated reporting (IR). The task force recommendations are not mandatory.

Each section of the IR framework, the market led and principles based initiative of the **International Integrated Reporting Council (IIRC)**, has been reviewed to:

- highlight the concepts, principles and content elements recommended by the IIRC
- identify potential challenges to and enablers of the implementation of recommendations
- clarify the underlying governance, risk and control issues
- discuss internal audits assurance and advisory role
- share good practice.

This publication provides:

1. A briefing which gives an overview of this research to those charged with governance and senior management.
2. A guide that provides actionable recommendations for internal auditors and risk practitioners.

[Read the recommendations](#)

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## About the International Integrated Reporting Council

The **IIRC** is a global coalition of regulators, investors, companies, standard setters, the accounting profession and non-government organisations (NGOs). This coalition shares the view that communication about value creation should be the next step in the evolution of corporate reporting.

Its vision is a world in which integrated thinking is embedded within normal business practice in the public and private sectors, facilitated by integrated reporting as the corporate reporting norm.

In early 2013 a three-month global consultation led by the IIRC, obtained over 350 responses from every region in the world that resulted in the publication of the **International IR Framework** in December 2013.

The framework will be used to accelerate the adoption of integrated reporting across the world, where it is currently being trialled in over 25 countries, 16 of which are members of the G20.

[Read the International IR Framework](#)

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## Creating value through integrated reporting

Guides from IIA Global:

[Integrated reporting and the emerging role of internal audit](#)

[Internal audit's role in non-financial reporting](#)

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## The role of internal audit in non-financial and integrated reporting

Our recent report provides some early insights into how internal audit is beginning to be harnessed by organisations in the vanguard of this new era of corporate reporting.

[Read the report](#)

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## Non-financial reporting: Building trust with internal audit

The European Council formally adopted the directive on non-financial reporting in September 2014. The objective being to increase EU companies' transparency and performance in respect of environmental and social matters.

The European Commission is aiming to prepare non-binding guidance on the methodology for this reporting by 2016.

The objective of this paper, prepared by the [European Confederation of Institutes of Internal Auditing \(ECIIA\)](#), is to clarify the different roles that internal audit may play in the implementation of these new directives and how it can add value to organisations and assist the board fulfil its new duties.

[Read the report](#)

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## **Further reading from the IIRC**

### **Basis for conclusions**

This relates to but is not part of the IR framework. It provides the IIRC's basis for conclusions on the major technical issues raised by respondents to the consultation draft of the IR framework.

### **Summary of significant issues**

Discusses other issues raised by respondents to the consultation draft and includes a summary of the process followed by the IIRC in developing the framework.