

AccountancyAge

Consultation launches on integrated reporting framework

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AN INTERNATIONAL BODY has launched a consultation on the future of integrated reporting.

The group of some of the largest organisations and accounting firms in the world has opened a consultation on a prototype of an integrated reporting framework.

The International Integrated Reporting Council (IIRC) released a prototype of a framework - to allow financial report compilers to integrate non-financial information, such as environmental and social economic costs, into financial

statements - at the end of November 2012.

A "worldwide invitation" has been issued and the IIRC is holding 15 events globally to launch the framework consultation - six of which are being hosted by stock exchanges.

Speaking at the New York launch of the consultation draft at NASDAQ Paul Druckman, (pictured) CEO of IIRC, said: "Over the last three years, the IIRC has built consensus around the idea that the current corporate reporting model must change to meet the needs of today's business and investment environment.

"The framework is the product of business and investor input and testing involving over 300 individuals and organisations. The IIRC has recruited businesses and investors to its pilot programme in 25 countries. So when I say this initiative is international in scope, and market-led in spirit, I mean it.

"That is why today we are issuing an invitation to businesses, investors, the accounting profession, regulators, standard setters and other interested parties to contribute to the consultation and shape this corporate reporting evolution which matters so much to the future of business and the global economy".

A link to the consultation can be [found here](#).

The consultation launch has garnered a host of comments.

ICAEW chief executive Michael Izza said the framework was "fundamentally important" to take the debate forward on how to implement a much wider set of considerations, beyond financial, into reporting.

"It assumes a greater gamut of information being built into business decision-making, which ICAEW has for long argued is necessary given the environmental and social constraints we now face. It also offers a challenge to the profession to consider how this is done and how the quality of information provided is maintained."

The accountancy profession is in a position to "lead and innovate" following the framework's launch, said ACCA chief executive Helen Brand. She also called on investors and corporates to play a big role in responding to the consultation.

The World Business Council for Sustainable Development (WBCSD) said the launch would "challenge the status quo of value creation and transparency in reporting", and echoed Brand's call for stakeholder involvement in the process.

"Financial capital is disproportionate in the way in which a company is valued," said Peter Bakker, president of WBCSD and deputy chair IIRC. "Social and environmental impacts are not recognised to the extent they need to be in investment and capital allocation decisions. This is short-sighted," he added.