



ACCG 399: Accounting in Context

Integrated Reporting: A Road towards Enhanced Corporate Governance or Financial Reporting's Decline

Tutorial 12 - Week 13

This written Comprehensive Professional Portfolio is comprised of individual and group tasks which are to be completed within tutorials and will require further work and writing up outside of the classroom. These set of tutorial activities extending till the end of the session, are intended to take you through a learning journey of exploration and development. They have been specifically designed to incorporate not only a real-life perspective to your university learning but also to further enhance graduate capabilities such as your ability to engage in critical, analytical and integrative thinking, problem solving and research capability, socially and environmentally active and responsible citizens and the ability to exercise professional and personal judgement and initiative, into your final year experience. It is with this in mind that we hope you will be equipped with the skills necessary for higher level study and effective professional performance.

Thought Activity

We would like you to take some time between your ‘Asking the Right Questions’ seminar and your first tutorial the following week to complete the activity outlined below. You will need to read these prompts carefully and use the space provided to outline your thoughts.

You will need to access a copy of the IIRC consultation draft available @ <http://www.theiirc.org/wp-content/uploads/Consultation-Draft/Consultation-Draft-of-the-InternationalIRFramework.pdf>.

Background information to this consultation draft can be found on the IIRC website <http://www.theiirc.org>. Read through this consultation draft and:

- Document your reflections on and feelings towards this preliminary framework?
- How does this framework compare and contrast with current reporting requirements?
- Describe the impact this new means of reporting has for the future accounting professional? Will the skills and attributes required by accounting and assurance professionals (auditors) be different to what they are now? How so?
- As a future professional about to enter (re-enter or embark on a continued career) in the accounting profession, how does this make you feel?
- Describe any broader implications this may bring to the accounting profession.
- Based on your reading and your prior knowledge from this course can you describe your thoughts on the future of accounting?

Write a reflective entry on this here (if you need more space please expand further):

You will need to bring your written thought activity with you to your tutorial.

Tutorial Engagement Activity

During your tutorial in week 13 you are required to engage in individual and peer discussion. You should form small groups of between 3 and 4 (these can be your group team members for the discussion forum) or you may like to discuss with other peers.

Activity One (15 mins)

“Capitalism needs financial stability and sustainability to succeed. Integrated Reporting will underpin them both, leading to a more resilient global economy.”

- Jane Diplock AO, Director, Singapore Exchange Limited, Former Chairman of the International Organisation of Securities Commissions.

Based on your readings and pre-thought reflections discuss this quote for the first 10 mins. As a group you should document your ideas and come to a concerted position with clear and justified reasoning. You are encouraged to participate and contribute to the discussion, providing your ideas, thoughts and any questions that may come to mind.

Your tutor will then facilitate a class discussion of ideas for the next 5 or so mins.

Activity Two (20 mins)

The IIRC have asked for comment from interested stakeholders regarding the released consultation draft. The questions and comments called for (although it is recognised that broader comments and consultation are welcomed by the IIRC) can be found in the appendix at the end of these materials.

As a group choose an area of particular interest to yourselves and have a go at formulating relevant responses to the sections queries. You are encouraged to participate and contribute to the discussion, providing your ideas, thoughts and any questions that may come to mind. You will need to take notes of your discussion.

Activity Three (20 mins)

Post-thought activity: to be completed and reviewed at the end of your tutorial.

Think about and respond to the following question: **Discuss what integrated reporting means for the future of accounting information, company reporting and assurance of such?**

You may like to look back at what you wrote under your pre-thought activity and see how your views may or may not have changed. We have also provided a forthcoming article written by the teaching staff on iLearn under week 13's tab that may assist you in developing some of your thoughts. The reference is:

McGuigan, N & Kern, T. (2013). A Road Towards Enhanced Corporate Governance: (Re)conceptualizing the Accounting Profession Through an Integrated Educational Framework. In A. Hellman (Ed.) *Behavioral Accounting*, New York: Nova Publishers.

What are you required to Submit?

You are required to submit in your tutorial:

1. A completed written description to the thought activity using the box provided.
2. Original written note summary outlining your experiences and discussion that occurred in your tutorial class within your group in activity one and two outlining how you reacted/thought during this discussion, and a written response to activity three: the post-thought question, to be completed at the end of your tutorial.

As this will be your final piece of submitted work in your portfolio we will award completion at the end of the week 13 tutorial. Please remember a failure to complete this piece of work on time will result in a forfeiture of 2% of your overall Comprehensive Professional Portfolio mark. It is a requirement of this unit that you achieve a passing grade in your Comprehensive Professional Portfolio to receive a passing grade or higher in this unit overall.

Appendix: Consultation Questions from IIRC (for activity two)

<p>The IIRC welcomes comments on all aspects of the Draft Framework from all stakeholders, whether to express agreement or to recommend changes. The following questions are focused on areas where there has been significant discussion during the development process. Comments on any other aspect of the Framework are also encouraged through the questions.</p>	<p>Chapter 2: Fundamental concepts The capitals (Section 2B) The Framework describes six categories of capital (paragraph 2.17). An organization is to use these categories as a benchmark when preparing an integrated report (paragraphs 2.19-2.21), and should disclose the reason if it considers any of the capitals as not material (paragraph 4.5).</p>
<p>Chapter 1: Overview Principles-based requirements To be in accordance with the Framework, an integrated report should comply with the principles-based requirements identified throughout the Framework in bold italic type (paragraphs 1.11-1.12).</p>	<p>5. Do you agree with this approach to the capitals? Why/why not? 6. Please provide any other comments you have about Section 2B?</p>
<p>Interaction with other reports and communications The <IR> process is intended to be applied continuously to all relevant reports and communications, in addition to the preparation of an integrated report. The integrated report may include links to other reports and communications, e.g., financial statements and sustainability reports. The IIRC aims to complement material developed by established reporting standard setters and others, and does not intend to develop duplicate content (paragraph 1.18-1.20).</p>	<p>Business model (Section 2C) A business model is defined as an organization's chosen system of inputs, business activities, outputs and outcomes that aims to create value over the short, medium and long term (paragraph 2.26). 7. Do you agree with this definition? Why/why not? Outcomes are defined as the internal and external consequences (positive and negative) for the capitals as a result of an organization's business activities and outputs (paragraphs 2.35-2.36).</p>
<p>2. Do you agree with how paragraphs 1.18-1.20 characterize the interaction with other reports and communications? 3. If the IIRC were to create an online database of authoritative sources of indicators or measurement methods developed by established reporting standard setters and others, which references should be included?</p>	<p>8. Do you agree with this definition? Why/why not? 9. Please provide any other comments you have about Section 2C or the disclosure requirements and related guidance regarding business models contained in the Content Elements Chapter of the Framework (Section 4E).</p>
<p>Other 4. Please provide any other comments you have about Chapter 1.</p>	<p>10. Please provide any other comments you have about Chapter 2 that are not already addressed by your responses above.</p>
	<p>Chapter 3: Guiding Principles Materiality and conciseness (Section 3D) Materiality is determined by reference to assessments made by the primary intended report users (paragraphs 3.23-3.24). The primary intended report users are providers of financial capital (paragraphs 1.6-1.8). 11. Do you agree with this approach to materiality? If not, how would you change it? 12. Please provide any other comments you have about Section 3D or the Materiality determination process (Section 5B).</p>

Reliability and completeness (Section 3E)

Reliability is enhanced by mechanisms such as robust internal reporting systems, appropriate stakeholder engagement, and independent, external assurance (paragraph 3.31).

13. How should the reliability of an integrated report be demonstrated?
14. Please provide any other comments you have about Section 3E.

Other

15. Please provide any other comments you have about Chapter 3 that are not already addressed by your responses above.

Chapter 4: Content Elements

16. Please provide any comments you have about Chapter 4 that are not already addressed by your responses above (please include comments on the Content Element Business Model [Section 4E] in your answer to questions 7-9 above rather than here).

Chapter 5: Preparation and presentation

Involvement of those charged with governance (Section 5D)

Section 5D discusses the involvement of those charged with governance, and paragraph 4.5 requires organizations to disclose the governance body with oversight responsibility for <IR>.

17. Should there be a requirement for those charged with governance to include a statement acknowledging their responsibility for the integrated report? Why/why not?
18. Please provide any other comments you have about involvement of those charged with governance (Section 5D).

Credibility (Section 5E)

The Framework provides reporting criteria against which organizations and assurance providers assess a report's adherence (paragraph 5.21).

19. If assurance is to be obtained, should it cover the integrated report as a whole, or specific aspects of the report? Why?
20. Please provide any other comments you have about Credibility (Section 5E). Assurance providers are particularly asked to comment on whether they consider the Framework provides suitable criteria for an assurance engagement.

Other

21. Please provide any other comments you have about Chapter 5 that are not already addressed by your responses above (please include comments on the materiality determination process [Section 5B] in your answer to question 11 above rather than here).

Overall view

22. Recognizing that <IR> will evolve over time, please explain the extent to which you believe the content of the Framework overall is appropriate for use by organizations in preparing an integrated report and for providing report users with information about an organization's ability to create value in the short, medium and long term?

Development of <IR>

23. If the IIRC were to develop explanatory material on <IR> in addition to the Framework, which three topics would you recommend be given priority? Why?

Other

24. Please provide any other comments not already addressed by your responses to Questions 1-23.