Twenty-Sixth World Continuous Auditing & Reporting Symposium

Thursday, January 17, 2013
10:40 AM – 11:00 AM

SESSION XVII – Software Solutions II
“Integrated Reporting Requires Integrated Assurance”

Presented by:
Liv Apneseth Watson, Director of International Business Development
About WebFilings
World-Class, Customer-Driven Team

500+ TEAM MEMBERS
WebFilings International Football Team
Customer first culture

97%

“VERY SATISFIED”
Reporting Pain Points

Data Sources

1. Excel works poorly with Word
2. No supply/value chain collaboration or version control
3. Managing change is difficult
4. End-game crunch

Create & Edit Report(s)

Review Report(s)

Publish Stake-Holders

XBRL Compliance
Effective Auditing For Corporates: 
Key Developments in Practice and Procedures 

by Joe Oringel

Book Description

Publication Date: March 29, 2012

In the wake of the recent financial crisis, increasing the effectiveness of auditing has weighed heavily on the minds of those responsible for governance. When a business is profitable and paying healthy dividends to its stockholders, fraudulent activities and accounting irregularities can go unnoticed. However, when revenue and cash flow decline, internal costs and operations may be scrutinized more diligently, and discrepancies can emerge as a result.

Effective Auditing for Corporates provides you with proactive advice—to help you safeguard core value within a corporation and to ensure that auditing processes and key personnel meet the expectations of management, compliance, and stockholders alike.

Publisher: Bloomsbury Information Ltd (March 29, 2012)
Chapter 4: “Integrated Reporting Requires Integrated Assurance”
by Robert G. Eccles, Michael P. Krzus, and Liv A. Watson

“We believe that the full value of integrated reporting will only be realized when integrated assurance is provided on the report.”
Outline

• A brief **background** on integrated reporting and the important role the accounting profession has played in developing it.

• The meaning of “**materiality**” for both financial and nonfinancial information.

• Five **key challenges**

• Five **key recommendations**
Definition “integrated audits”

• Positive assurance” (“the company did it right”)

• Negative assurance” (“nothing leaped out at us as terribly wrong”)
Background

INTEGRATED REPORTING (IR)

www.theiirc.org
On August 2, 2010, the Prince of Wales’ Accounting for Sustainability (A4S) Project and the GRI announced the formation of the International Integrated Reporting Committee (IIRC).
The mission

“To create a globally accepted integrated reporting framework which brings together financial, environmental, social and governance information in a clear, concise, consistent and comparable format in order to “help business to take more sustainable decisions and enable investors and other stakeholders to understand how an organization is really performing”.”
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Source: Corporate Registry
Materiality
Sustainable Strategies and Value Creation

...“the material issues” that affect the organization’s “ability to create and sustain value in the short, medium, and longer term.”

There are no standards for the preparation of nonfinancial information equivalent to either IFRS or US GAAP, and there is therefore no materiality guidance for companies.
Five Key Challenges to Providing an Integrated Assurance Opinion

1. Developing a **global set of credible standards** for measuring and reporting nonfinancial information which have the appropriate governmental support, just as is true for accounting standards.

2. Developing **methodologies** for providing positive or negative **assurance** on nonfinancial information.

3. Integrating standards and assurance methodologies for financial and nonfinancial information in a way that provides a “**true and fair view of an organization’s sustainability.**”

4. Building the necessary **capabilities**.

5. **Liability reform.**
Integrated Reporting Reporting Process
Recommendations
Five Key Recommendations

1. Advocacy: Working with the agencies of the government(s) that give authority to their efforts, accounting standard-setters, such as the FASB, IFAC, and the IASB to drive mandates.

2. Initiate projects for developing auditing standards for nonfinancial information.

3. Define individual metrics for internal control and measurement systems.

4. Define the meaning of “a true and fair view of an organization’s sustainability.”

5. Accounting profession should build the necessary capabilities to conduct an integrated audit including liability reform.
Questions!!

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