



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **13(a)**
Meeting Date: 26 November 2012
Subject: Integrated Reporting Update
Date Prepared: 12 November 2012

Action Required

For Information Purposes Only

Agenda Item Objectives

To update the AUASB on the IIRC's progress since the September Board meeting.

Background

The AUASB and the FRC lodged their response to the discussion paper *Towards Integrated Reporting – Communicating Value in the 21st Century* on 14 December 2011. From a review of the IIRC website it appears that the IIRC received about 200 responses to the discussion paper from a diverse range of stakeholders. The AUASB attended the BRLF meeting in May 2012 and an update on outcomes from this meeting was given at the 4 June 2012 AUASB meeting.

On 11 July 2012, the IIRC released an integrated reporting framework outline – this is currently a prototype as there are working groups focused on some of the key issues raised in responses to the original discussion paper. These areas of focus include: Business Model; Value, Connectivity; Materiality and Capitals. The conclusions reached by these working groups together with the experiences provided by the pilot companies will feed into the development of the framework for release in early-mid 2013.

In addition to the work being undertaken by the IIRC working groups, the BRLF is working with the AICD on the issue of director's liability in Australia; and there is a team in South Africa working on reliability and assurance. Nick Ridehalgh (KPMG Partner), the BRLF project lead, has established a small BRLF sub-group to workshop integrated assurance in August to draw out the issues from the Australian perspective, and develop potential solutions. The AUASB Executive Director and Senior Project Manager were involved in these discussions. The output of the sub-group will be discussed at the November - Sydney and December – Melbourne BRLF meetings and notes of the discussion will feed into the IIRC for their consideration.

The IIRC IR pilot programme reached its 1 year milestone in September 2012 and a meeting was held internationally to bring together all the pilot participants and learning's etc. This information will feed into the development of the framework for release in early-mid 2013.

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Michael Bray KPMG Assurance Partner attended the 10 September 2012 AUASB meeting and gave the Board an update on the progress of Integrated Reporting internationally and what lessons Australia can take from the international experience. It was noted that in South Africa the issue of integrated assurance is only now being addressed. As noted above the area of integrated assurance is being considered in conjunction with the current development of the IR framework. Further discussion was had with the Board on the Australian pilot companies e.g. NAB, Bank Mecu. Bank Mecu has subsequently issued their integrated report for 2012.

Next Steps

A meeting is scheduled with the AUASB Chairman and Executive Director and Paul Druckman, CEO of IIRC on Monday, 19 November when he is visiting Melbourne. Michael Bray, Jan West and Kevin Stevenson will also attend this meeting.

The next BRLF meetings are to be held on 26 November in Sydney and 7 December 2012 in Melbourne. Feedback from the workshop on integrated assurance held in August will be discussed at this meeting.

Material Presented

Agenda Item 13(d)

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