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Institute for Sustainability Africa

*Integrated Reporting: ICAZ
CPD Training, Harare*

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Promoting sustainability through accountability



Who is this guy?



- *Bsc (Hons), MA, ACCA (All UK),.....*
- *PhD Reading (Current) -UK*
- *Founder of Institute*
- *Lecturer of Accounting, UZ*
- *Stakeholder Council Member, Africa, GRI, (Holland)*
- *Members, Africa, Global Forum of Sustainability(UK);*
- *International Associate, CSEAR, St Andrews University, Scotland;*
- *.....*



Aim of Presentation:

Equip participants with an appropriate understanding of the concept of Integrated Reporting from the perspective of the International Integrated Reporting Council (IIRC)



What is Integrated Reporting

- *“Is a set of processes and activities meant for a company to demonstrate its stewardship and how it creates and sustain value by bringing to together material information about an organisation’s strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context in which it operates”*
- *IR Build on the practice of financial reporting, and Sustainability reporting (Environment, Social & Governance)*
- *Provides a holistic and complete picture of the business in a clear, concise, connected and comparable manner*



Outlook of Integrated reporting



Background to IR

Developments and Evolution:

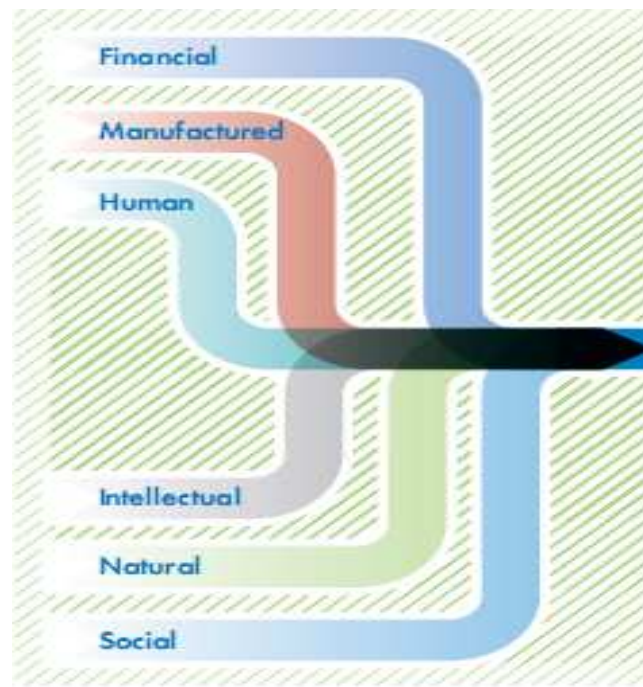
- *International development in IR were centred around the Prince Charles of Wales' Accounting for Sustainability Projects;*
- *Need for connection between Business Strategy and Sustainability;*
- *Need to address link between sustainability report and financial report (King III Approach);*
- *Need to meet investors information needs from corporate reports*



Fundamentals of Integrated Reporting

Fundamental Concepts of Integrated Report

- **Capitals – Financial, manufactured, Intellectual, human, natural and social.** Company must demonstrate how the capitals have been used as input into the business model to generate output.



Fundamentals of Integrated Reporting

- **Business Model –**
- *Its' a system of input, value-adding activities and output that aims to create and preserve value over the short term, medium and long term*



Fundamentals of Integrated Reporting

- **Creating and Preserving Value**

creation of value and preserving it is based on how the organisation serves the interest of all major stakeholders



The Framework

The Framework is still under development and is expected to be out around December 2013 or very early 2014.

Current Practice

Integrating GRI Sustainability prepared reports with financial reporting in an annual report



Key Framework Contents

Likely Content:

- *Organisational overview and business models;*
- *Operating context, including risks & opportunities;*
- *Strategic objectives and strategies to achieve those objectives;*
- *Governance & remuneration;*
- *Performance ****
- *Future Outlook*



Core Philosophy of IR

“Integrated Thinking”

There are relatively 10 steps to Integrated thinking that involves:

- *Governance of the company;*
- *Process of embedding sustainability;*
- *Decision making Processes that considers sustainability (PC – Decision Making tool);*
- *Capacity development;*
- *KPI*
- *Disclosure*



Focus of IR

Who is/are the prime target for integrated reports?

- *Investors – Institutional and Individual;*
- *Capital Markets driven by investors;*

Investor groups are driving the framework



Warning for Zimbabwe!!!!!!!

- *Don't rush to call your report Integrated Annual Report till the framework is out;*
- *Don't rush to assure Integrated reports for companies that have no prior experience in Sustainability reporting*
- *IR is just another form of sustainability reporting though its targeted at mainly investors only.*
- *Practice Sustainability Reporting Fundamentals first.*
- *IR is not there to replace sustainability reporting*



Thank you!!!





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