

19 April 2011

Integrated Reporting Committee

e-mail: [ircomments@saica.co.za](mailto:ircomments@saica.co.za)

Dear Sir / Madam,

**REQUEST FOR COMMENTS ON DISCUSSION PAPER: FRAMEWORK FOR INTEGRATED REPORTING AND THE INTEGRATED REPORT**

We are pleased to have the opportunity to comment on the discussion paper. This comment letter has been prepared by a task group on behalf of the Assurance Guidance Committee.

We support the objectives of the discussion paper on the *Framework for Integrated Reporting and the Integrated Report*, and our comments should therefore be read in the context of the achievement of those objectives.

We present our comments, attached thereto, under the following main headings:

- Overall comments in relation to the revised and redrafted framework;
- Comments in relation to specific paragraphs of the proposed framework.

Should you wish to discuss our comments or require clarity on any of the matters raised please do not hesitate to contact me directly at SAICA, P.O. Box 59875, Kengray, South Africa, 2100 or alternatively by way of telephone at +27 011 621 6614, or by way of email to [ashleyv@saica.co.za](mailto:ashleyv@saica.co.za)

Yours sincerely,

Theashen Ashley Vandiar CA(SA)  
Project Director: Assurance and Members' Advice

## **SAICA comments on the Framework for Integrated Reporting and the Integrated Report**

### **OVERALL COMMENTS**

The comments provided below are from the audit perspective that is whether the Integrated Report will be auditable.

There is currently no specific assurance framework that deals with integrated reporting.

We recommend that the Independent Regulatory Board for Auditors provide guidance to registered auditors on how to assure the integrated report.

### **SPECIFIC COMMENTS**

<b>Reference to the Framework</b>	<b>Issue/Reason for comment</b>	<b>Proposed change(s)</b>
Assurance Section 4 – page 17	Assurance section in the Integrated report framework does not provide sufficient guidance.	<p>It is recommended that the section on assurance should be expanded to provide more guidance on:</p> <ul style="list-style-type: none"><li>• The role of assurance and the assurance provider.</li><li>• Providing assurance on the integrated reporting.</li><li>• The complexities of assurance including:<ul style="list-style-type: none"><li>○ The scope of assurance – quantitative and/or qualitative information</li><li>○ The different assurance standards available, i.e. Accountability AA 1000, Assurance Standard versus International Standards on Assurance Engagements 3000 (Assurance Engagements other than Audits or Review of Historical Financial Information), what the differences between them are, and which assurance providers can use the standards.</li><li>○ The need for publically available criteria for data</li></ul></li></ul>

Reference to the Framework	Issue/Reason for comment	Proposed change(s)
		<p>and information subjected to assurance.</p> <ul style="list-style-type: none"> <li>○ The need to assess the suitability of criteria.</li> <li>○ How to distinguish between information that has been assured and information that has not been assured.</li> <li>○ For information that has been assured, how to distinguish between the different levels of assurance i.e. limited or reasonable.</li> </ul>
<p>Assurance Section 4 – page 17</p>	<p>Extract from the framework:</p> <p><i>“Where integrated reports present summary information derived from the more detailed annual financial statements and sustainability report already audited or assured, auditors would report on such aspects in accordance with ISAs and the underlying detailed reports should be accessible to users.”</i></p> <p>It is unclear what is meant by “auditors would report on such aspects in accordance with ISAs”.</p> <p>Does it mean that the organisation is required to disclose to what extent the information contained in the integrated report has been assured, including a reference to where a copy of the</p>	<p>It is recommended that clarity be provided on this.</p> <p>It is unclear as to which ISAs would be applicable to assure the integrated report. Currently there is no assurance standard or guidance that deals with integrated reporting. We recommend the IRBA provide guidance to auditors.</p>

Reference to the Framework	Issue/Reason for comment	Proposed change(s)
	assurance report can be obtained as well as the particulars of the assurance provider?	
Assurance Section 4 – page 17	<p>Extract from the framework:</p> <p><i>“ISAs are the professional standards used to audit financial information. King III refers to the International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information and Accountability’s AA1000 Assurance Standard (AA1000AS) for the Assurance of sustainability information.”</i></p> <p>From the paragraph above, it is unclear if this means that no other standards can be used. Does this mean auditors are prohibited to use any new standard that could be introduced to assist with assuring the Integrated Report?</p>	It is recommended that clarity be provided on this.

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