

# Business Reporting Leaders Forum – Summary of discussion on the IIRC <IR> Competence Matrix

Monday 17 August 2015.

## The <IR> Competence Matrix

- Do you believe the competence areas are appropriate?
- Are the levels (introductory/practitioner) capture adequately the competence to be achieved?
- Does the draft matrix include adequate coverage of related disciplines of strategy and corporate reporting?

## BRLF discussion points:

- The current competency matrix doesn't directly address the training needs of assurers. Consider linking into the project team developing the 'Assurance' paper and developing assurance provider training in parallel with the practitioner training.
- Assurance groups and professional bodies are likely to develop their own training to ensure the skills/qualifications of their assurance providers is in line with the competency matrix. For example <IR> reporting is already being built into an existing module of the CPA program.
- Lack of critical thinking built into the learning outcomes. The learning outcomes accept the Framework 'as is' rather than encouraging critical thinking and challenging of the Framework. Consider how you build into the training model a way to capture how the Framework is implemented / adapted in practice, and how as a result corporate reporting changes.
- The educator of the practitioner needs to understand how all the other reporting frameworks out there interact, and so be able to train practitioners on not only how to implement the Framework, but also how to assess how it has been implemented and is aligned with other reporting. This should be fed back into future iterations of the Framework.

## Who needs training and in what order of priority?

- Board members
- Preparers
- Investors
- Assurers
- Others?

## BRLF discussion points:

- **Undergraduate and post-graduate students.** Universities should be providing training to both undergrad and post-graduate students. Undergrad students don't immediately fit into any of the identified categories, but one day will be the practitioners, investors and assurers. <IR> and integrated thinking should be built into the capstone for all university courses, as it should the fundamentals of how people make business decision going forward, and not just relevant for the

finance/accounting students. <IR> training should be embedded into MBA programs and other post-graduate studies, as these student will be future leaders and future board members.

- **Board & executives.** Executives across the board need to be trained, not just the Board and preparers. The toughest audience will be line executives, who are core to value creation, and yet may currently have different (financial) targets and incentives.
- **Mangers within the organisation.** Managers with the organisation may hold/ be responsible for elements of the performance information (relevant to their division or function). They will need to understand how what they do fits into organisation-wide value creation, and so support the integrated reporting team, and provide the required information and analysis.
- **Other readers of the reports.** In addition to large scale institutional investors, integrated reports will also be used by small/medium organisations and mum and dad type investors. It is important for these groups to have a basic understanding of what the integrated report is designed to communicate, and how to use it in making their various decisions.

There were varying opinions as to the priority and the order in which parties should be trained. Opinions included:

- Assurers need to be trained as a priority, as not sure if the assurance framework being developed has given adequate consideration to the current competencies of assurance providers. Assurers need to understand the fundamental differences between assuring an Integrated Report and other types of reports.
- The first priority should be preparers as they represent the largest group and need knowledge/ training to prepare the report. They need to develop the report before it is given to the assurers.
- Board members as they will be directing the change within the organisation followed by preparers and the senior executive suite as they are responsible for preparing and reviewing the report. This may be followed by external training, including investors who will need to understand how to model the information provided in the integrated report, assurance providers, and finally students (the future reporters and report users).

### Training programmes

- Do you have examples of current good practice already available?
- How long do you think <IR> training programmes should be?
- Which organizations are best placed to offer <IR> training?

### BRLF discussion points:

The length of the training will depend on the depth of knowledge that is required for a particular group of stakeholders. For example a general reader will need some basic training (potentially a 3 hour session), where as an assurance provider will need a much longer training program.

The level of training required will also depend on prior learning and industry/reporting experience. As such consider breaking the introductory course into components or sub-levels.

### Training providers:

It is expected that the training will be provided by different groups and organisation for different groups. For example:

- Directors Australian institute of Company Director / Governance institute / Firms
- Preparers Firms
- Undergraduates Universities and other colleges
- Postgraduates MBA providers / ICAANZ / CPA
- Other readers Community colleges / MOOCS

***Delivery methods*** - Consider the use of online training including MOOCS and podcasts to reach a broader market.

***Assessments / Accreditation*** - At a practitioner level it was agreed that there should be some form of accreditation/assessment program.

***Licensing*** - The IIRC need to maintain some control over the quality and content of the training. Need to consider who will review the training courses, and what process will be in place to get IIRC accreditation.

***Example of good current practice for distribution of e-training (MOOCs):***

- PRI Academy
- Microsoft is a good example of how to do the professional certification
- MOOCS online courses