

Chapter 3

Conceptual Model

ABSTRACT

The current chapter explains the conceptual model outlined in this manuscript: how we arrived to our original Integrated Reporting <IR> Prototype Framework. Finally, we seek to demonstrate that the information from the framework is mostly disclosed in corporate annual reports, and that there is interest for integrated reporting adoption. The IR elements from our prototype framework resulted from accountancy profession expertise (ICAEW, IFAC, FEE, and others) International Integrated Reporting Committee (IIRC) Guidelines, IFRS-IASB standards with impact on both financial and non-financial information, social audit standards (SA8000 and AA1000), or disclosure requirements set up by a Directive of the European Union.

INTRODUCTION

During the next paragraphs, we shall explain each research area and the distribution of the 43 questions from our questionnaire. However, we should mention first that the number of the questions is the ones from the questionnaire and the way in which they are grouped in areas of interest does not correspond to the order they appear in the questionnaire (Appendix 5). This order was applied based on the fact that it would provide a plus of comprehensiveness from the respondent's side.

IIRC itself proposed for consultation their Framework perspective on the interaction with other reports: “The IR process is intended to be applied continuously to all relevant reports and communications, in addition to the preparation of an integrated report. The integrated report may include links to other reports and communications, e.g., financial statements and sustainability reports” (IIRC, 2013a, p. 2). We extended this vision on IR by formulating seven questions that fall under the category of interaction between financial and non-financial information; IR versus other reports:

Q2: Do you believe that nowadays it is enough for a company to comply with requirements on financial information?

This particular question is based on GRI comments made to the IIRC draft consultation framework that mention that financial information is not sufficient for conveying all the relevant information needed in decision-making processes (especially for investors).

Q5: Do you consider that current Annual Financial Reports issued by global corporations are too long, too complex, and ambiguous?

Q6: Can IR reduce complexity and ambiguity in reporting?

The formulation of the above inquiries (Q5 and Q6) comes from Farrar (2011) assumption that complexity and extended reports should be avoided and integrated reports used instead.

Q7: Are standalone IR reports the only way of practicing integrated reporting?

According to IFAC, IR practice can mean both having a standalone integrated report, or transforming previous reports (e.g., the annual report) into an integrated one (from the comment letter sent by IFAC to the IIRC Consultation Framework). The same approach is taken by ICAEW, with the specification to have interactions between the integrated report and the other reports (comment letter to the IIRC Consultation Framework).

The next three questions (Q8, Q9, and Q10) are introduced by the ACCA comments for the IIRC Consultation Framework: “IR initiative offers a significant opportunity for the quality of corporate reporting to be improved by giving to investors and others a more complete view of the entity and its prospects over a longer time frame than is usually covered in traditional

19 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/conceptual-model/191818

Related Content

An Investigation of the Visitor's Spatial Experience in Virtual Exhibitions

Rana Öztürkand Simge Esin Orhun (2024). *Transformed Communication Codes in the Mediated World: A Contemporary Perspective* (pp. 316-337).

www.irma-international.org/chapter/an-investigation-of-the-visitors-spatial-experience-in-virtual-exhibitions/335370

Information Hubs or Drains?: The Role of Online Sources in Campaign Learning

Terri L. Towner (2017). *Handbook of Research on Citizen Engagement and Public Participation in the Era of New Media* (pp. 157-178).

www.irma-international.org/chapter/information-hubs-or-drains/172231

Branded Podcasts: The Return of Aural Content With Examples From Turkey

Emrah Gülmez (2023). *Handbook of Research on the Future of Advertising and Brands in the New Entertainment Landscape* (pp. 135-168).

www.irma-international.org/chapter/branded-podcasts/316991

E-WOM as an Asset of Branded Content Strategies: A Conceptual Approach to the Role of Consumers in Building Brand Equity

Carmen Llorente-Barroso, Olga Kolotouchkinaand Ivone Ferreira (2023). *Handbook of Research on the Future of Advertising and Brands in the New Entertainment Landscape* (pp. 367-383).

www.irma-international.org/chapter/e-wom-as-an-asset-of-branded-content-strategies/317003

Media and the Moving Image: Creating Screen Media Literacy

Paul Chilsen (2014). *Digital Arts and Entertainment: Concepts, Methodologies, Tools, and Applications* (pp. 1419-1431).

www.irma-international.org/chapter/media-and-the-moving-image/115082