

Integrated Reporting: New Framework For Corporate Reporting

Your
global
future
begins
here

College of
Business & Finance

Dr. Gagan Kukreja

- What is Integrated Reporting (IR) and why do we need it?
- Challenges in IR journey?
- Evolving reporting trends – where are we going?
- Bahraini Companies reporting

What is Integrated Reporting?

- Integrated reporting (<IR>) is a new approach to corporate reporting which is rapidly gaining international recognition. <IR> is founded on integrated thinking, which helps demonstrate interconnectivity of strategy, strategic objectives, performance, risk and incentives and helps to identify sources of value creation.

<IR> demonstrates how organizations really create value:

- It is a concise communication of an organization's strategy, governance and performance
- It demonstrates the links between its financial performance and its wider social, environmental and economic context
- It shows how organizations create value over the short, medium and long term

Why use <IR>?

Increasingly, businesses are expected to report not just on profit but on their impact on the wider economy, society and the environment. Integrated reporting gives a 'dashboard' view of an organization's activities and performance in this broader context, which will:

- Enable more effective decision making at board and managerial level
- Improve the information available to investors and other stakeholders
- Encourage more integrated thinking and business practices

- **Influences decisions and actions of management**
- **An essential element of corporate governance**
- **Influences decisions and actions of shareholders and other stakeholders**
- **Affects resource allocation (financial, natural and human resources) in society**
- **Critical for investor confidence**
- **Influences perceptions of the company's customers, vendors, and employees**
- **Shapes how a company sees itself**

Financial

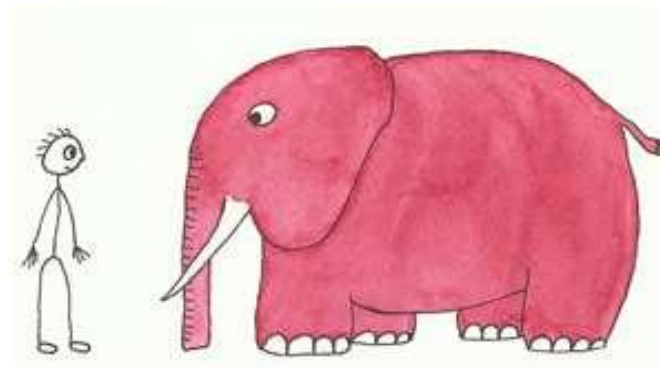
- Complexity
- Meaningful narrative information
- Reporting on risk, executive compensation and corporate governance
- Auditing for fraud

Non-financial

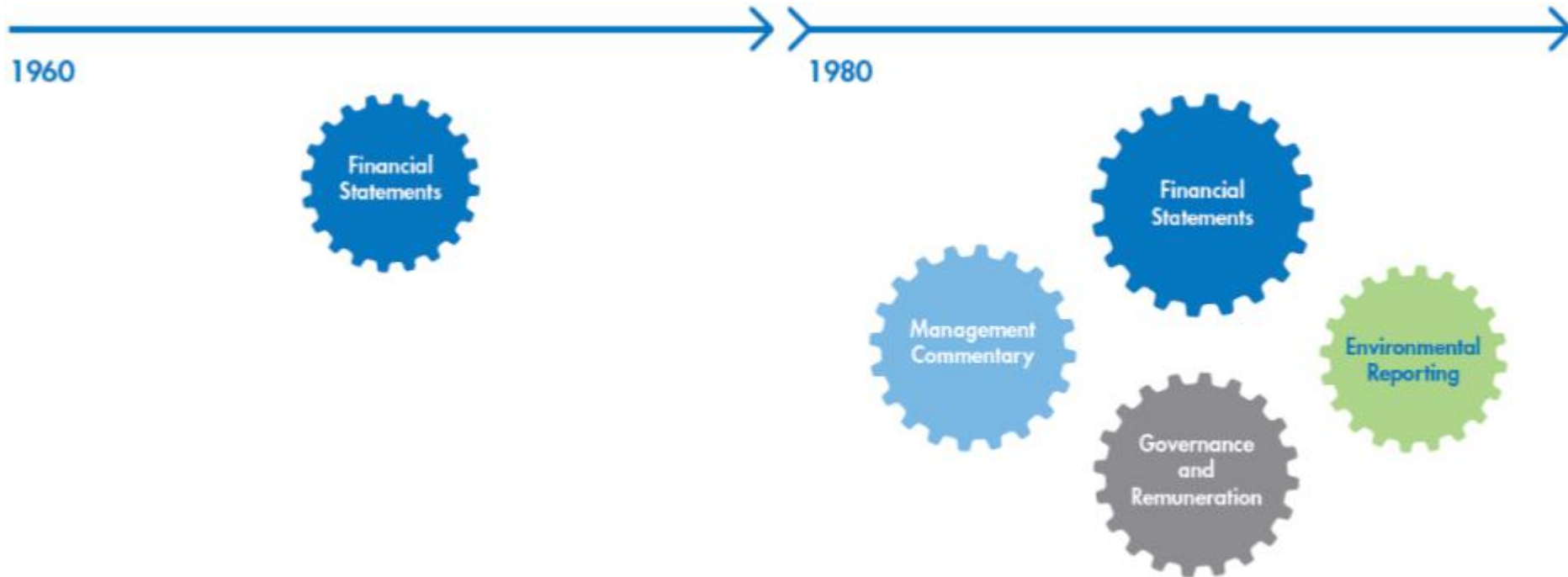
- Lack of standards
- Lack of common terminology
- Definition of “materiality”
- Underdeveloped audit methodologies
- Controversial role of the Global Reporting Initiative
- Competing standard setters

“Corporate reporting...has got **too big**,
too cumbersome
and **incomprehensible** ...”

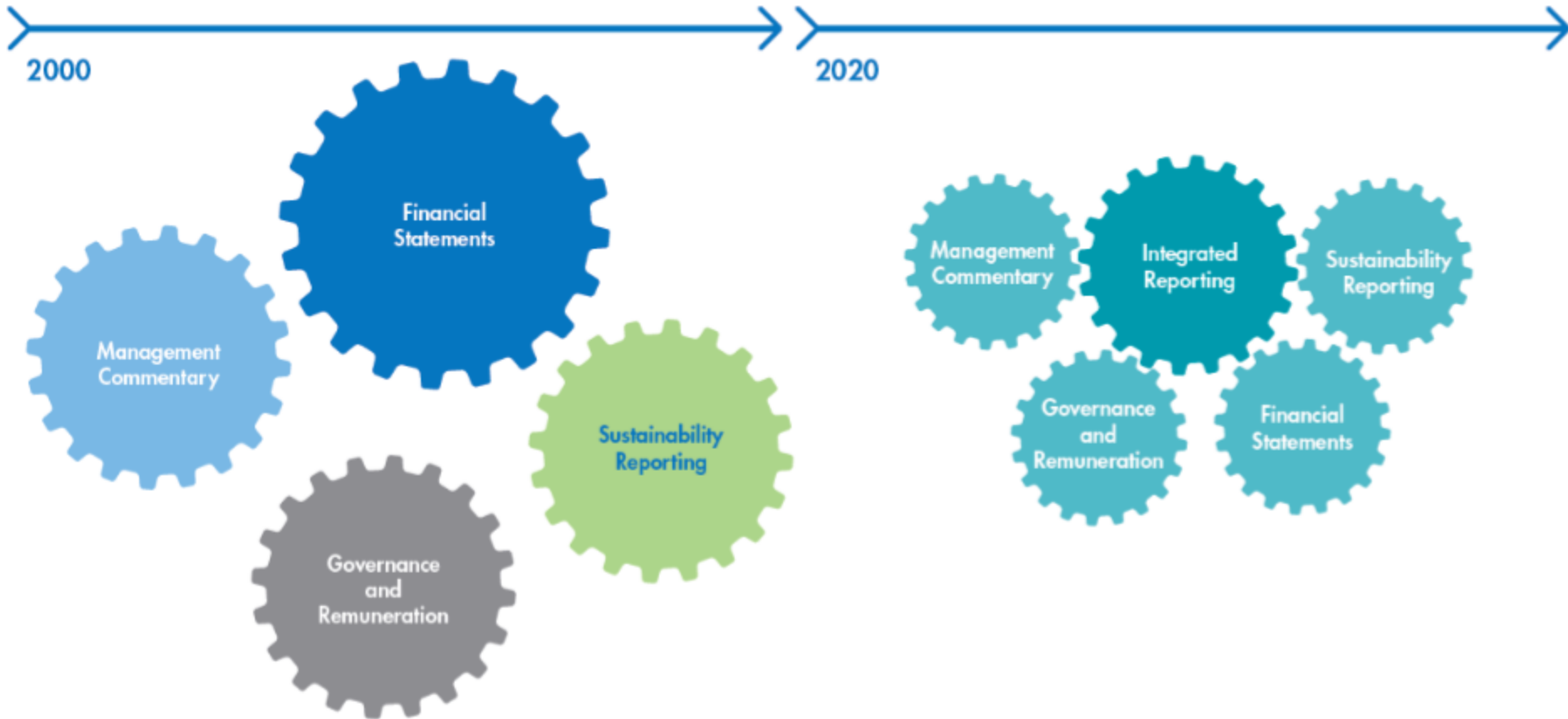
Source: Tomorrow's Corporate Reporting : A Critical System at Risk – CIMA and PwC

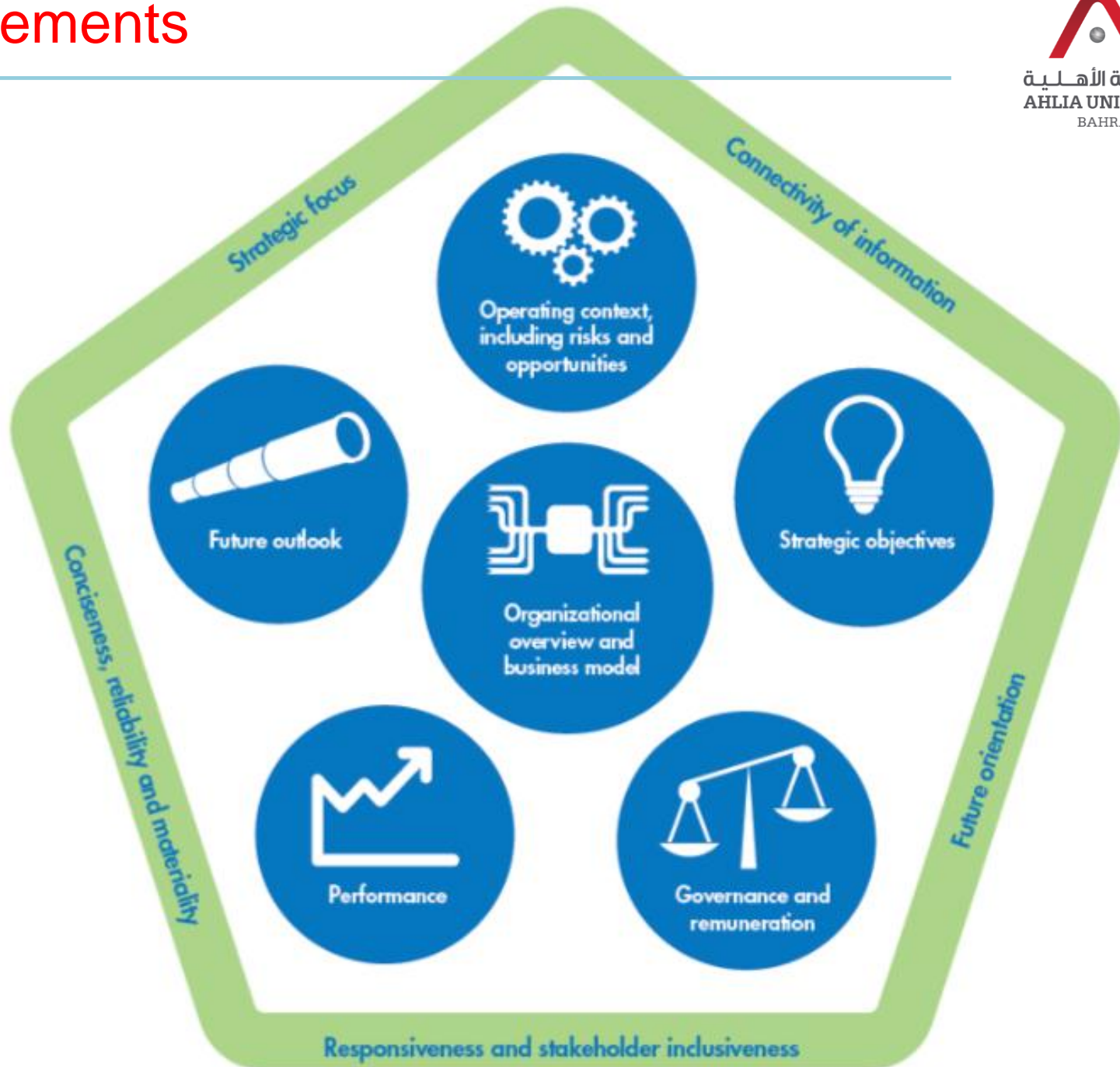


The Evolution of Reporting...

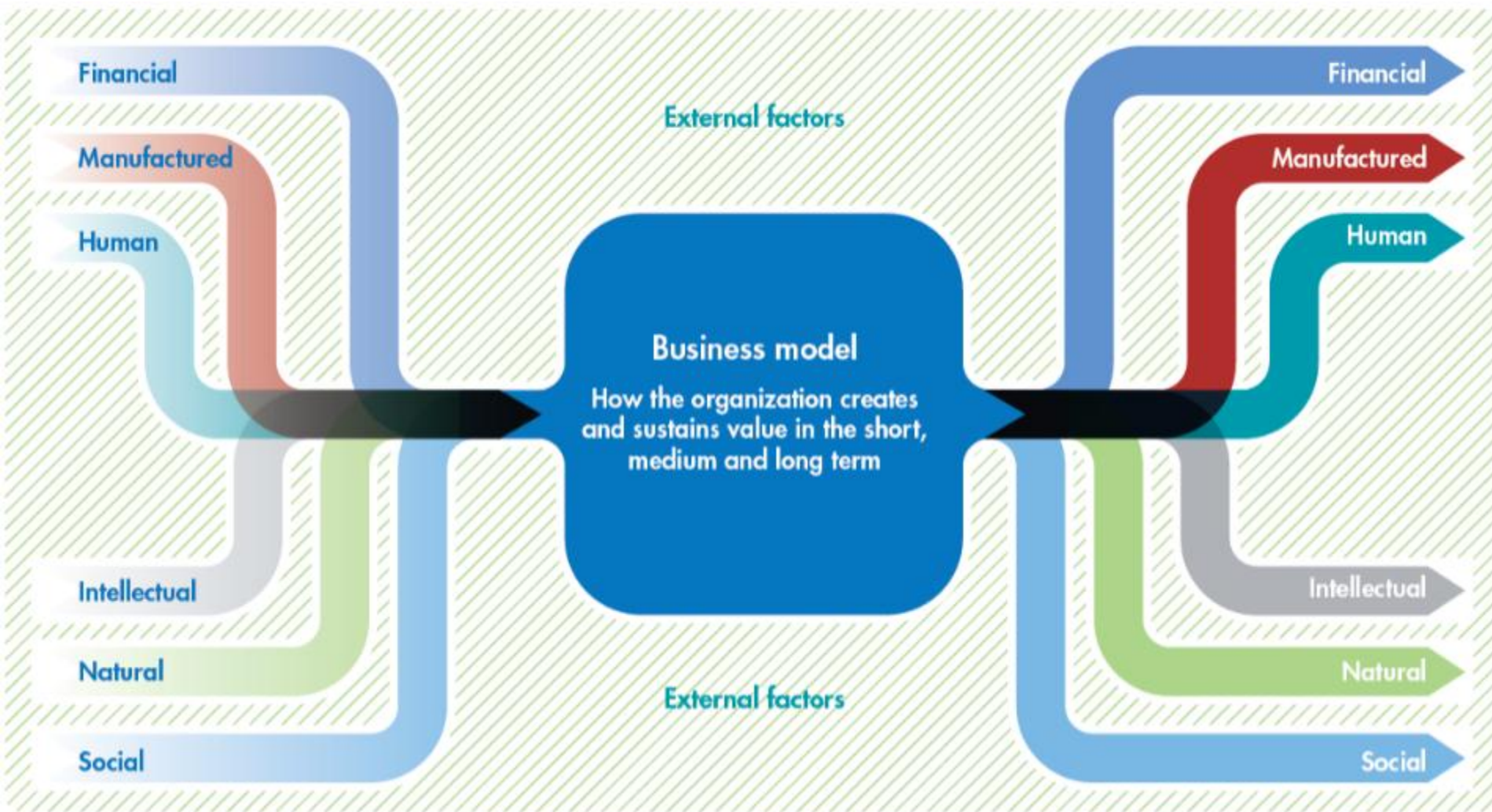


...Integrated Reporting – the Future





Central themes: Business model & value creation



Some companies are partially using IR such as

- 1. GPIC**
- 2. Alba**
- 3. Banagas**
- 4. Batelco**
- 5. Bapco**

Thank you
Question and Answers

Email gkukreja@ahlia.edu.bh

Phone 3672 1968