

Roundtable on accounting

After his presentation on integrated reporting, Charl De Villiers joined a discussion facilitated by Rob O'Neill about business challenges and research possibilities in the field. Around a dozen people from academia and business participated. Key themes included:

Integrated reporting as a tool for investment analysis

One participant, an investment manager, said he was interested in research into integrated reporting to assist his analysis of investment options for clients.

In particular he was interested in issues of "materiality" in integrated reporting, a challenge echoed several times by others in the session. Deciding what is material and what is not in the context of voluntary integrated reporting is clearly a challenge.

The investment manager was also interested in furthering research that revealed what he called potential "hotbeds of performance" in companies striving for sustainability. How does integrated reporting affect company performance and why?

There is also possible space to research the contribution of integrated reporting/sustainable business practices to company valuations in relation to other factors that drive perceived value.

Adoption of integrated reporting

Some participants asked why NZ companies appeared to be slow to adopt integrated reporting. Charl responded that globally it tended to be larger companies doing so and NZ didn't have a huge number of truly large companies.

That led to a discussion about how it might be possible to make integrated reporting more accessible to smaller companies.

A related issue, how integrated reporting applies to new, high-growth companies, was also raised. Is integrated reporting as we know it meaningful for fast-moving startups? Will millennial entrepreneurs speak in this language? What tools do Gen Y entrepreneurs need to run effective companies over the next decade?

It was suggested there might be a disconnect between prescriptive sustainability reporting standards (such as ISO) and the needs of newer, more visionary businesses wanting to tell their story and be transparent.

It was also reported that there is no real community of companies using integrated reporting, though there were signs of such emerging. Communities and networking in the space were considered important for mutual support, networking and learning.

International comparisons

Charl reported that in South Africa, integrated reporting is compulsory, some companies do a quality job of it and some pay "lip service". There could be space for comparative research here between compulsory regimes and voluntary ones such as NZ's.