Integrated Reporting in de publieke sector

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Agenda

• Introduction
• Drivers for change
• Integrated Reporting and <IR> Framework
• IR Best Practice
• IR in the Public Sector
• Takeaways
Integrated Reporting
Drivers for change

How to keep up with all the reporting trends?
Drivers for change

• Experiments by companies and investors;
• Focus on materiality and ‘cutting the clutter’;
• More integrated information;
• Focus on the future;
• From compliance to own initiatives; transparency, ‘footprint’, impact measurement;
• Regulation is coming.
Drivers for change

Pieces of information without connectivity

Close-up pictures (partial connectivity) without big picture

Big Picture

Number of pieces=40

Number of pieces=40

Number of pieces=40
An integrated report is a **concise communication** about how an organization’s strategy, governance, performance and prospects, in the context of its external environment, lead to **the creation of value** over the short, medium and long term.

*(IIIRC Consultation Paper, April 2013)*
Integrated Reporting

“Our long-term vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by <IR> as the corporate reporting norm.”

“The cycle of integrated thinking and reporting, resulting in efficient and productive capital allocation, will act as forces for financial stability and sustainability.”
Integrated Reporting

• A way to structure information from different forms of reporting;
• Broader scope; financial and non-financial capitals;
• ‘Summary report’;
• Sustainability of an entities business model;
• For providers of financial capital.
<IR> Framework
Integrated Reporting in the Public Sector

IR is initially developed for corporate users

But...

...IR’s flexible approach to the value creation story makes it perfectly suitable for the public sector.
Integrated Reporting in the Public and Private Sector

IR Best Practices
Integrated Reporting Best Practices

Dutch best practice example:
• Nederlandse Spoorwegen (2015)
Try to identify (some of) the aspects from the <IR> Framework.
Why would IR be necessary or useful for the NS?
Potential relevance of <IR> for the public sector?
Integrated Reporting in the Public Sector

Current status of reporting:
- Rising demands from society for social value, non-financial factors and more transparency;
- Dutch corporates rank high for international standards;
- Dutch public sector lags behind in sustainable and social reporting.
Integrated Reporting in the Public Sector

Comparison between IRs from public and private sector:

Private sector:
- More coherence between results;
- More datavisualisation;
- More specific description of performance;
- Better notice of evaluations, expectations and future focus.

Public sector:
- Better comparability by use of standard formats;
- Higher number of topics covered.
Integrated Reporting in the Public Sector

Why could IR be relevant for the Public Sector?
- Serving and being accountable to a wide stakeholder base;
- Maintaining a longer-term perspective, while delivering in the short term;
- Providing integrated services with sustainable outcomes;
- Demonstrating the sustainable value of services provided beyond the financial.
Pathway to IR

- Identify stakeholders needs;
- Clearly communicate the value creation story;
- Learn from best practices in Dutch private sector;
- Hop on the <IR> train for the public sector.
Takeaways

• Strategy is key;
• Basis of <IR> is coherence;
• <IR> replaces current reporting;
• Relevance is of high importance;
• Specific information needs.
Questions?

“Yes, the planet got destroyed, but for a beautiful moment in time we created a lot of value for shareholders.”