

# The <IR> Competence Matrix

Learning outcomes for <IR> Training

## Introduction

**Integrated Reporting is enhancing the way organizations think, plan and report the story of their business.**

**The <IR> Competence Matrix has been developed to help organizations identify the knowledge, skills and behaviours they need to adopt Integrated Reporting and realize its benefits.**

## About this document

This document sets out the approach to <IR> Training adopted by the International Integrated Reporting Council (the IIRC). It was developed following input from an international expert advisory group and with widespread feedback from organizations associated with <IR> around the world.

**The <IR> Competence Matrix has been developed by the International Integrated Reporting Council to provide global guidance on competences appropriate to Integrated Reporting <IR>.**

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## Why was the <IR> Competence Matrix developed?

The matrix is intended to provide clear guidance as to the knowledge, skills and behaviours necessary to work in an <IR> environment. The areas of competence we set out build on the existing professional and business skills possessed by many of those already involved in reporting. But we have also developed the matrix with a view to an important shift in focus that we believe is essential not just for effective Integrated Reporting but to enable organizations to put value creation at the heart of their purpose and strategy.

## How was the <IR> Competence Matrix developed?

The IIRC has taken an approach to developing the <IR> Competence Matrix that is in keeping with our role to be market-led, as summarized below, taking into account local practices and requirements.

- Outcomes-based - We have adopted a principles-based approach, setting out the learning outcomes required. This is an approach followed by many institutions and professions. It is also entirely in keeping with the principles-based approach of the International <IR> Framework itself. Users of the <IR> Competence Matrix therefore should not expect a step by step guide to implementing <IR> through a process. We believe implementation is best led by reference to the individual circumstances of each organization adopting <IR> and by learning from leading practice in the market.
- Whole business perspective - The linkages that <IR> requires to strategy and its scope across the organization require a broad outlook. We have therefore included areas of competence around change management and leadership – areas which are essential in the context of ‘reporting on the whole business’, involving interactions within and outside the organization.
- Emphasis on integrated thinking - Integrated thinking has been embedded in the learning outcomes to ensure that this key aspect of <IR> is appropriately covered in the required competences.
- Linked with strategy and governance - Through this matrix we aim to reinforce the close relationship between strategy, corporate governance and reporting. In particular, we draw out the role of senior management and those charged with governance – ‘introductory’ learning outcomes are included in the matrix which are relevant to those coming to <IR> for the first time and in particular senior managers and those charged with governance of the organization.

The IIRC followed a number of principles to ensure the Matrix embodies the features outlined above:

- Market-led - the competence matrix was co-created through consultation with a broad range of stakeholders including senior corporate managers, training providers, regulators, and investors.
- International - globally consistent, relevant and applicable.
- Practical – focus on the practical competencies required for successful adoption and implementation of the International <IR> Framework.
- Adaptive – allow for local tailoring and encourage innovation amongst learning providers and learners. The matrix is designed to enable learning providers to design their own tailored programmes, based on specific needs and skills required.

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# The <IR> Competence Matrix

*Two competence levels have been developed – Introductory and Practitioner*

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The Introductory level reflects the competence requirements for individuals to understand Integrated Reporting, including integrated thinking, and the benefits it can bring to an organization, but who are not directly involved in preparing the integrated report.

## Competence at Introductory level means being able to:

- Present the business case for the introduction of Integrated Reporting, including integrated thinking, to an organization.
  - Explain the fundamental concepts of value creation, the capitals, and the value creation process.
  - Describe the requirements of the International <IR> Framework.
  - Describe the factors that contribute to successful implementation of Integrated Reporting, including integrated thinking, within an organization.
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The Practitioner level builds directly on the Introductory level and reflects the competence requirements for individuals who are directly involved in Integrated Reporting within an organization, including preparing the integrated report.

## Competence at Practitioner level means being able to:

- Demonstrate the Introductory level learning outcomes.
- Apply the fundamental concepts of value creation, the capitals and the value creation process to an organization.
- Advise an organization on how to apply the requirements of the International <IR> Framework and the changes required to existing reporting practices.
- Participate effectively as part of a team planning and coordinating the implementation of Integrated Reporting, including integrated thinking, within an organization.

# Structure of the <IR> Competence Matrix

## The <IR> Competence Matrix has four competence areas:

- a) Integrated Reporting - the vision for better corporate reporting
- b) Integrated thinking – creating value over time
- c) The integrated report– communicating value creation
- d) Implementing Integrated Reporting – from financial management to value management

The relationship between the four competence areas and the high level learning outcomes for each level can be illustrated in Figures 1 and 2 below.

**Figure 1: Relationship between competence areas and high level learning outcomes for the Introductory level**

<b>Integrated Reporting</b> Present the business case for the introduction of Integrated Reporting, including integrated thinking, to an organization.	
<b>Integrated thinking</b> Explain the fundamental concepts of value creation, the capitals, and the value creation process.	<b>The integrated report</b> Describe the requirements of the International <IR> Framework.
<b>Implementing Integrated Reporting</b> Describe the factors which contribute to successful implementation of Integrated Reporting, including integrated thinking, within an organization.	

**Figure 2: Relationship between competence areas and high level learning outcomes for the Practitioner level**

<b>Integrated Reporting</b> Present the business case for the introduction of Integrated Reporting, including integrated thinking, to an organization.	
<b>Integrated thinking</b> Apply the fundamental concepts of value creation, the capitals, and the value creation process.	<b>The integrated report</b> Advise an organization on how to apply the requirements of the International <IR> Framework and the changes required to existing reporting practices.
<b>Implementing Integrated Reporting</b> Participate effectively as part of a team planning and coordinating the implementation of Integrated Reporting, including integrated thinking, within an organization.	

Each competence area is further divided into subject areas and related learning outcomes. The learning outcomes establish the content and depth of knowledge, understanding and application required for each subject area. All the learning outcomes within the Introductory level also form part of the Practitioner level learning outcomes.



# About Integrated Reporting <IR>

<IR> is enhancing the way organizations think, plan and report the story of their business.

Organizations are using <IR> to communicate a clear, concise, integrated story that explains how all of their resources are creating value. <IR> is helping businesses to think holistically about their strategy and plans, make informed decisions and manage key risks to build investor and stakeholder confidence and improve future performance. It is shaped by a diverse coalition including business leaders and investors to drive a global evolution in corporate reporting.

As set out in the International <IR> Framework, 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 in the short, medium and long term.

The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. The coalition is promoting communication about value creation as the next step in the evolution of corporate reporting. The International <IR> Framework has been developed to meet this need and provide a foundation for the future.

[www.integratedreporting.org](http://www.integratedreporting.org)

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