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Statement on Integrated Reporting <IR>

The accounting profession plays a vital role in the global economy. The transparency, accountability and financial management that accountancy provides leads to well-functioning economies, enables capital flows and increased prosperity. Accountants have a unique window into an organisation understanding how they create and sustain value over the short, medium and long term.

Many stakeholders only see the short term window, when it is important that both organisations and their stakeholders focus on the long term. We believe Integrated Reporting <IR> helps stakeholders understand what is creating long term value. It brings into focus the business model, risks and opportunities, and the organization's viability into the future, through taking into consideration all of the resources and relationships that contribute to the organizations success. <IR> means greater transparency and more coherent corporate reporting which should lead to a more effective global economy.

We, the Directors of the Global Accounting Alliance, an alliance of the ten leading professional accountancy bodies listed below, provide our support to the implementation of Integrated Reporting <IR>. We believe business and professional accountants should embrace <IR> to achieve greater transparency and shift the focus to more long term thinking and behaviours, leading to better decisions and capital allocation. The Global Accounting Alliance supports the International Integrated Reporting Council's vision to align capital allocation and corporate behaviour to wider goals of financial stability and sustainable development. This represents an important alignment between the profession's role to enhance public trust through high professional standards and ethics, and wider societal goals.

Integrated Reporting presents a significant opportunity for professional accountants around the world to enhance the value they offer to their employers and organisations, identifying drivers of value creation and using insight and professional skills to enhance value. Through this they can play a central role in the evolution of corporate reporting, leading to enhanced dialogue with investors and providers of financial capital, and increase public trust. Through an enhanced understanding of the wide range of factors – beyond the purely financial – that affect the organization's ability to create value, accountants will be in a position to provide leadership utilising the information that is material to the organization and the decisions that need to be taken to ensure its continued success.

The Global Accounting Alliance (GAA) was formed in November 2005 and is an alliance of 10 leading professional accountancy bodies in significant capital markets. It was created to promote quality services, share information and collaborate on important international issues. The GAA works with national regulators, governments and stakeholders, through member-body collaboration, articulation of consensus views, and working in collaboration where possible with other international bodies, especially the International Federation of Accountants (IFAC).

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