IIRC Framework Panel: Meeting of 25 July 2017

25 July 2017, via teleconference, 11:30 – 13:30 London time

Members/TAs	Erik Breen, Jean-Luc Barlet, Sarah Bostwick Stromski, Nancy Kamp-Roelands, David Loweth, Rodrigo Morais, Tom Roundell Green, Lothar Rieth, Hugh Shields, Roger Simnett, Jason Voss, Zubair Wadee
IIRC	Lisa French, Richard Howitt, Michael Nugent, Liz Prescott
Apologies	
Minutes	Liz Prescott

AGENDA	Item	Paper	Action
	1. **Welcome and attendance**		
	2. **Notes of previous meeting and matters arising**		
	3. **Draft report**		
	a. **IIRC Board feedback on draft Framework Implementation Feedback Summary report**		
	b. **Content of current draft report**		
	c. **General structure of report**		
	d. **Report content**		
	e. **Prioritisation of actions**		
	4. **Any other business**		
	5. **Conclusions and next steps**		

1. Welcome and attendance

The Chair welcomed Panel members and noted attendees and apologies. He also thanked and complimented the IIRC Technical team for their work completed to date.

2. Notes of previous meeting and matters arising

The notes of the previous meeting were confirmed. One panel member asked for the spelling of his name to be corrected which has been actioned. There were no other matters arising or changes required to the notes.

3. Draft report

a. IIRC Board feedback on draft Framework Implementation Feedback Summary report

The technical team provided feedback from the IIRC Board meeting held on 12th July 2017 and reported that the Board were very pleased with the extent of progress of the report, but cautioned on the volume and timing of proposed actions, and to be mindful of overcommitting the IIRC's limited resources.

Accordingly, the Panel must be deliberate in its actions in terms of prioritising proposed actions, and the report must reflect the results of the Panel's prioritisation of matters. The Panel must be realistic about the IIRC's scarce resources and think about how to get the work done based on future resources, and the capacity that exists outside the IIRC that are keen to get involved - how can those resources be mobilised? It will be important for the IIRC and Panel to oversee others doing not all, but at last part of the work.

b.   Content of current draft report

The technical team confirmed a revised version of the report had been circulated to the panel ahead of the meeting, incorporating comments from July 12th IIRC Board meeting and all Panel feedback from meetings held up to and including the 25th July meeting and a timetable of proposed actions would be distributed as soon as possible post the 25th July Framework Panel meeting.

c.   General structure of report

The Chair asked Panel members their views of the draft report's general structure. The panel noted the structure was good, and the report logical and readable, the actions were well presented. As there is a high volume of proposed actions it was suggested the Panel consider which were the most important actions, and whether others should be de-prioritised altogether. The responsibility of actions of third parties and the IIRC need to be clearly defined. If any projects were outside, it was important they stay under the IIRC's control.

The panel thought there were different levels of recommendations and conclusions, and the same high level needed to be provided for all, again it should be made clear for each recommendation which were specific to the IIRC and which were opportunities where others could help.

The Panel should consider including in the final report a stakeholder map showing who was interacting with the IIRC on priority areas to indicate how the IIRC was working with others.

The Chair noted his sense that overall, Panel members were happy with the structure of the report.

d.   Report content

The Chair asked for the Panel to provide further direction on priorities and their views on getting the work done and what the Panel members wanted to do. In terms of report content, the Chair asked that typos, grammatical errors etc be sent via email to the IIRC Technical team, leaving the time on the call to discuss actions and priorities.

The panel had the following comments on the report content:
- Page 4 of the report, does not include clear conclusion about how people can use the <IR> Framework with other frameworks.

- The graph depicting feedback by stakeholder group on page 3, should show whether the group report preparers represented individual preparers or groups of preparers. Of the 77 submissions, it was important to consider the breakdown to avoid criticisms that the final report was influenced by consultants rather than report preparers.

- The report could be structured so that actions followed immediately after feedback and conclusions in order to present a more complete picture. Another suggestion would be to make the actions hyperlinked in a pdf to present to comprehensive picture, instead of amending the report structure

- There was positive feedback in regards to summary timeline at the end of the report including all actions – this will be updated by the IIRC technical team to include timings in the next draft of the report.

- Page 10 of the draft report, under feedback for Question 9 Other Content Elements there was tension between:
   1a) Loss of competitive advantage was cited as a likely reason for non-disclosure across a number of Content Elements, and
   1d) Risk disclosures are often very good, but the reporting of opportunities is not. Risks and opportunities should be given equal weight.

- It would make sense that not much detail is provided by companies in relation to opportunities as they don't want to give away any competitive advantage. The Chair also noted he thought that 1d) was associated with strategy, and could also reflect a maturity issue whereby people are much more experienced at reporting on risks, which tend to be more commonly addressed (than opportunities) in statutory reporting.

- At the last meeting the Panel agreed they would revisit question 7, the issue of statement by Those Charged With Governance (TCWG). The IIRC Technical team will ensure this point is included in the next draft of the report.

- Question 11 Other enablers, incentives and barriers was very general, and the conclusions reached were very high level. There were concerns that the conclusions as currently worded were way beyond our capacity and could set unrealistic expectations. They could be reworded to be made more explicit, such as "Increase outreach to ……"

- It was noted that clarity is required as to what is meant by guidance in the report, and the is a need for clarification of what guidance means in relation to the IIRC.

The guidance in the procedures handbook has been used in a more generic, all-encompassing sense but the report should reference the Handbook and be more specific about how the word guidance was being used. Also mention "assisting the market through a variety of mechanisms and included reference to the Handbook.

On page 17, the first action under conciseness should be de-prioritised. The intended audience of the report, would affect that way the actions were presented. The Chair noted the audience would be those who provided feedback and other interested readers.

e.   *Prioritisation of actions*
The Chair asked for the Panel's views on prioritisation without overburdening the IIRC Technical team, and to develop a realistic workplan that could be delivered.

The Chair reinforced that the final report must include a paragraph on how the Panel had prioritised actions or topics. The following areas were discussed in terms of priority:

<IR> Framework Panel
Meeting of 25 July 2017
Minutes

- FAQs - A single document could be the highest priority as it would provide clarity. Reducing the confusion around the capitals could be easily addressed through the FAQs. The FAQs should also refer to existing guidance rather than focusing on creating something new. It may be useful to tailor the FAQs to specific audiences eg. TCWG versus preparers, keeping in mind how we could best support the different groups better understand and implement the <IR> Framework. It was suggested the 11 types of actions (under the 11 questions) under the FAQs would be more helpful. A preliminary update post the report issue could be an update of the FAQs with more detail on other actions to follow, this would trigger promotion of the IIRC, encouraging visits to the website.
- The Business Network group could be a source of resources for some action items, and the output of the Materiality special focus group would also be helpful in terms of delivering proposed actions. The CFA Institute might also have resources.
- Best practice examples
- Relationship between <IR> Framework and other Frameworks- need to clarify the relationship
- Materiality - A few members of the panel felt this was the most important priority.
- Connectivity
- TCWG- Was important, as was providing companies and others on how to get started on their <IR> journey. TCWG is a real challenge but an important one that influences the quality of both reporting and integrated thinking, and the panel felt that this should therefore be prioritised.
- Reporting of opportunities- reporting on opportunities could be downplayed and the focus should be on improving the clarity and the understanding and implementation of the Framework.
- Examples Database - Continued provision of best practice examples. There should also be a focus on doing a comprehensive mapping between the FAQs and the Examples Database. Providing examples of good as well as bad practice could help, the Panel also considered using existing materials such as BlackSun's review of the FTSE 100.
- Academic Research - The panel felt research was not as helpful, and could come at a much later timeframe. Universities are willing to hear the topics they could be researching. Academics could be contacted via the Academic Network and also young academics to get an idea of specific research topics. The Panel should be emphasising education around the understanding of the Framework, and noted the tension that existed around "selling the benefits". It is important for materials to link to local developments to provide a local context.
- Guidance - before creating anything new, we should be looking to see what already existed, and which documents are the most important.

The panel also discussed if the CRD could provide some assistance.

The Chair again reiterated his thanks to the IIRC Technical team for their efforts and commented that the progress made by the Framework Panel would not have been possible without the high quality of work produced by the IIRC team.

4. Any other business

The Chair asked for any other business the IIRC Technical team suggested a possible soft launch of the summary report in September 2017 to those closest to the IIRC eg. Council, Ambassadors etc, and sharing the final report through Panel members' LinkedIn networks, followed by a hard launch on 12/13th October at the annual IIRC Convention.

A panel member offered to author an article for the ICAS magazine, and the IIRC Technical team committed to come back to Panel members at their next Panel meeting with further details.

The possibility of a physical meeting in Amsterdam was discussed to coincide with IIRC Council and Board meetings, with the tentative date to be confirmed ASAP and the likelihood of individual panel member attendance to be communicated via email after the meeting.

The Chair noted that there were no further Panel meetings in the diary at this point, but that it would make sense to schedule a further meeting in the second half of August to allow panel members to have their say on the final draft of the report, including proposed timelines for actions.

No other matters were raised.

5. Conclusions and next steps

A final draft report, will be distributed to all Panel members ahead of the next call on 29 August 2017. Any major issues may need to be dealt with out-of-session.

The Chair thanked Panel members and the IIRC team and closed the meeting.