About the Institute of Singapore Chartered Accountants

The Institute of Singapore Chartered Accountants (ISCA) is the national accountancy body of Singapore. ISCA’s vision is to be a globally recognised professional accountancy body, bringing value to our members, the profession and wider community.

Established in 1963, ISCA shapes the regional accountancy landscape through advocating the interests of the profession. Possessing a Global Mindset, with Asian Insights, ISCA leverages its regional expertise, knowledge, and networks with diverse stakeholders to contribute towards Singapore’s transformation into a global accountancy hub. Our stakeholders include government and industry bodies, employers, educators, and the public.

ISCA is the Administrator of the Singapore Qualification Programme (Singapore QP) and the Designated Entity to confer the Chartered Accountant of Singapore - CA (Singapore) - designation.

It aims to raise the international profile of the Singapore QP, a post-university professional accountancy qualification programme and promote it as the educational pathway of choice for professional accountants seeking to achieve the CA (Singapore) designation, a prestigious title that is expected to attain global recognition and portability.

There are about 28,000 ISCA members making their stride in businesses across industries in Singapore and around the world.

For more information, please visit www.isca.org.sg
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Integrated Reporting Survey 2014

Executive Summary

A survey of the Institute of Singapore Chartered Accountants (ISCA) members was conducted from January to March 2014 to understand the Integrated Reporting (IR) sentiments in Singapore. The survey seeks to collate an understanding of the awareness of IR from the various stakeholders who rely on the current financial reporting for information about companies. In particular, the survey seeks to document both the level of awareness and the perceptions of market participants about IR as an emerging form of corporate reporting to address the informational needs of stakeholders.

The findings of the survey suggest that IR is still at an infant state in Singapore with low level of knowledge of IR amongst most of the respondents – a level that we speculate is still higher than the average of other South-East Asia countries. This finding is despite the fact that the Singapore Accountancy Commission has articulated that it is “determined to transform the country into the hub of Integrated Reporting IR in South-East Asia”. However, respondents who have no or low level of knowledge have expressed interests in finding out more about IR. This finding suggests a significant educational role for ISCA to further educate the market participants and the road ahead is promising and challenging.

The respondents generally perceived that sustainability reporting is a subset of IR. This finding is important as the adoption of IR can thus be seen as an evolutionary process for corporate reporting as companies level upwards from financial reporting to sustainability reporting and ultimately to IR.

Cost is a major concern for the adoption of IR. The majority of respondents see IR as a useful tool for decision making; however, the majority of the respondents also perceive the costs and efforts in preparing IR as outweighing the benefits. This result also suggests an important role for ISCA to reduce the costs and efforts in adopting and preparing IR, including capacity building and training.

Most respondents believe that the primary recipients of IR should be providers of capital, both current and prospective. The survey also finds that the respondents perceived the primary responsibility for the preparation of IR lies with the CFO, CEO, and the Board – in that order of priority.

Respondents indicated a need for IR to be audited in general, indicating that reasonable assurance is needed for content covering governance, performance and basis for preparation. Respondents acknowledged the difficulties of auditing content elements for business model and outlook. However, they opined that a limited assurance may suffice for these two areas. In addition, those who are charged with the responsibility for preparing IR should acknowledge their responsibility in a statement.

Respondents show a slight preference for a market driven approach to the adoption of IR, as compared to a ‘comply and explain’ regime. They are generally less favourable to a regulatory driven approach. Interestingly, the respondents are not optimistic that the adoption of IR will make Singapore a more attractive place to do business.

Finally, the respondents believed that ISCA and the regulators have significant educational, training and advocacy roles to play in the implementation of IR.

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1 This survey is an adaptation of the ISCA-PWC Survey 2013 on Integrated Reporting.
Next steps

Given the findings of this survey, there are three important follow-up initiatives that ISCA and regulators can embark on to promote <IR>:

a. **Promote Next Phase Adoption.** The survey suggests that there are companies actively considering adopting <IR> in 2014. ISCA and regulators should support this next batch of adopters and encourage more companies to adopt <IR>. Only one entity in Singapore is currently reporting under <IR>.

b. **Educational Penetration.** ISCA and the regulators will have to invest significant resources in the education and promotion of <IR>. Raising the knowledge level of <IR> will reduce the costs and efforts of adopting <IR> and increase the benefits. This objective can be achieved through workshops, round-tables, dialogues, conferences, and other educational platforms that allow participants to better understand the usefulness of <IR>. The education will have to be broad-based covering various stakeholders of a company, including but not limited to Board members, CEO, CFO, analysts, auditors, and shareholders.

c. **Research and Documentation of the Usefulness and Benefits of <IR>.** ISCA and the regulators should embark on research and surveys to further document the usefulness and benefits of <IR>, particularly amongst the capital providers, investors, and analysts. The findings from these studies and surveys will provide a business case for the adoption of <IR>.

d. **Showcasing Best Practices and Samples of <IR>.** ISCA and the regulators should work with individual MNCs and listed companies in Singapore that have decided to adopt <IR> to publicise samples and prototypes of <IR>. The dissemination of the samples and best practices of <IR> will reduce the cost of preparation for <IR> through learning from illustrative examples that are consistent with the reporting framework. This can then serve as a benchmark for others to innovate and follow.
Introduction

1. *<IR>* is a framework for corporate reporting developed by the International Integrated Reporting Council (IIRC). Their vision is for *<IR>* “to be accepted globally as the corporate reporting norm, benefiting organizations, investors and society by encouraging sound and well-informed decision-making that leads to efficient capital allocation, sustainable growth and prosperity”.² *<IR>* has been hailed as the next most significant reporting for organizations since the introduction of International Financial Reporting (IFRS) in the 1970s. However, *<IR>* also faces a degree of scepticism concerning its usefulness and whether the costs outweigh the benefits.

2. The Singapore Accountancy Commission (SAC), which has its mandate to “drive accountancy excellence in Singapore through talent development, professional qualification, research and thought leadership”, has articulated clearly that the SAC intends to position Singapore as the hub of *<IR>* for South East Asia. This is to be achieved through three macro-level drivers: 1) to promote *<IR>* in Singapore and regionally; 2) to be an influential and authoritative thought leader in *<IR>_*; and 3) to be a leading *<IR>* knowledge and resource centre.³

3. As a response, ISCA and NUS conducted a survey to understand the sentiments towards *<IR>* in Singapore. The survey seeks to understand the level of awareness of *<IR>* from various stakeholders who rely on the current financial reporting for information about companies. In particular, the survey seeks to document the level of awareness and the perceptions of market participants about *<IR>* as an emerging form of corporate reporting to address the informational needs of stakeholders. The findings will form the basis for ISCA and other bodies to embark on initiatives to promote *<IR>* as well as to help address implementation issues facing companies. The survey instrument is enclosed in Appendix A.

4. The Survey was conducted from January 21 to March 9, 2014. The invitation to participate in the survey was sent to ISCA members. Three rounds of reminder were sent to the members and at the close of the survey. A total of 135 completed and usable responses form the basis for the findings.

5. The findings of the Survey are detailed below together with relevant analysis and suggestions as to how the findings can be used to promote *<IR>* and help address implementation issues facing companies.

Profile of the Respondents

6. Figure 1 shows the composition of the respondents

![Figure 1: Composition of the Respondents](image)

7. The majority of the respondents (63.2%) are financial preparers, including CEOs, CFOs, financial controllers, accountants, audit committee members or directors of companies. Auditors and investors (shareholders and analysts) form the next most number of respondents, comprising 19.0% and 9.5% respectively. This means that the findings of this survey are skewed towards the inputs of financial statement preparers. A follow-up survey or feedback session will be conducted amongst auditors and investors, particularly analysts, to better understand their perspective on IR.

8. Respondents from more than 15 industries participated in the survey. The highest number of respondents came from Transportation, Travel and Tourism industry (14%).

9. Figure 2 shows the distribution of the respondents with respect to their company’s size and status (listed or non-listed companies). 24.4%, 9.6%, and 12.6% of the respondents from listed companies work for companies that have market capitalization of less than S$300 million, $300 million to $1 billion, and more than $1 billion, respectively, as of December 31, 2013. 53.3% of the respondents are from non-listed companies.

10. 15 respondents (11.1%) indicated that they represent Temasek- or Government-linked companies. For these 15 companies, five of them work for companies that have market capitalization of more than $1 billion, while four represent unlisted companies.
Knowledge about <IR>

11. We surveyed the respondents’ current level of knowledge about <IR>. Table 1 shows the respondents’ own assessment of their level of knowledge about <IR>.

Table 1: Revealed State of Knowledge of <IR>

Panel A – All Five Levels

<table>
<thead>
<tr>
<th>Knowledge Level</th>
<th>Listed companies</th>
<th></th>
<th></th>
<th></th>
<th>Non-listed Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Less than S$300 million</td>
<td>S$300 million to S$1 billion</td>
<td>More than S$1 billion</td>
<td></td>
</tr>
<tr>
<td>1 – No Knowledge</td>
<td>35 (25.9%)</td>
<td>8 (24.2%)</td>
<td>3 (23.1%)</td>
<td>3 (17.6%)</td>
<td>21 (29.2%)</td>
</tr>
<tr>
<td>2</td>
<td>55 (40.7%)</td>
<td>15 (45.5%)</td>
<td>6 (46.2%)</td>
<td>9 (52.9%)</td>
<td>25 (34.7%)</td>
</tr>
<tr>
<td>3</td>
<td>28 (20.7%)</td>
<td>5 (15.2%)</td>
<td>2 (15.4%)</td>
<td>3 (17.6%)</td>
<td>18 (25.0%)</td>
</tr>
<tr>
<td>4</td>
<td>11 (8.1%)</td>
<td>4 (12.1%)</td>
<td>2 (15.4%)</td>
<td>0 (0.0%)</td>
<td>5 (6.9%)</td>
</tr>
<tr>
<td>5 – In-depth Knowledge</td>
<td>6 (4.4%)</td>
<td>1 (3.0%)</td>
<td>0 (0.0%)</td>
<td>2 (11.8%)</td>
<td>3 (4.2%)</td>
</tr>
<tr>
<td>Total</td>
<td>135 (100.0%)</td>
<td>33 (100.0%)</td>
<td>13 (100.0%)</td>
<td>17 (100.0%)</td>
<td>72 (100.0%)</td>
</tr>
</tbody>
</table>

Panel B – Levels 1 and 2 versus Levels 3 to 5

<table>
<thead>
<tr>
<th>Knowledge Level</th>
<th>Listed companies</th>
<th></th>
<th></th>
<th></th>
<th>Non-listed Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Less than S$300 million</td>
<td>S$300 million to S$1 billion</td>
<td>More than S$1 billion</td>
<td></td>
</tr>
<tr>
<td>Levels 1 to 2</td>
<td>90 (66.7%)</td>
<td>23 (69.7%)</td>
<td>9 (69.2%)</td>
<td>12 (70.6%)</td>
<td>46 (63.9%)</td>
</tr>
<tr>
<td>Levels 3 to 5</td>
<td>45 (33.3%)</td>
<td>10 (30.3%)</td>
<td>4 (30.8%)</td>
<td>5 (29.4%)</td>
<td>26 (36.1%)</td>
</tr>
<tr>
<td>Total</td>
<td>135 (100.0%)</td>
<td>33 (100.0%)</td>
<td>13 (100.0%)</td>
<td>17 (100.0%)</td>
<td>72 (100.0%)</td>
</tr>
</tbody>
</table>

12. As shown in Table 1, Panel B 66.7% indicated no or low levels of knowledge about <IR> (levels 1 or 2), suggesting that this majority of the respondents do not have a working knowledge or understanding of <IR>. The findings suggest that there is some distance to go in educating market participants about what <IR> is. The percentage of respondents that indicate no or low knowledge level is higher for companies with higher capitalization. This may reflect an actual lower level of knowledge, but could equally indicate a higher perceived urgency for these listed companies and hence the perception of a larger knowledge gap.
13. The average level of knowledge for preparers of financial statements is 2.20, whereas that of non-preparers is 2.31. However, the difference in the average value of knowledge level is not statistically significant between the two groups.

14. Amongst respondent that indicate no or low levels of knowledge, 92.2% of them were planning to know more about <IR>. This indicates strong demand for further education on <IR> amongst the respondents.

15. An analysis of respondents that indicate medium to high levels of knowledge about <IR> (levels 3 to 5) shows that more than 50% of the respondents are financial statements preparers. There is no discernible clustering along size, listed or unlisted, TLC or GLC attributes of the companies they represent.

16. Table 2 below shows a further analysis of the follow-up questions for those that indicated medium to high levels of knowledge about <IR>.

<table>
<thead>
<tr>
<th>Levels 3 to 5 Responses</th>
<th>Has &lt;IR&gt; been discussed at the Board level?</th>
<th>Would your company consider adopting &lt;IR&gt;?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>15.6%</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>No</td>
<td>84.4%</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>

17. From Table 2, which tabulate the results for the levels 3 to 5 respondents, only 15.6% of the respondents had discussed the issue of <IR> at the Board level. For respondents where <IR> had been discussed at the Board level, 71.4% of the respondents would consider adopting <IR>. This indicates a stronger commitment by respondents once the Board has expressed interest, which is intuitive given the need for support at the Board level for adoption of <IR>. However, it also points to the acute need to prepare CFOs and others that are to facilitate Board discussions with the level of knowledge needed to discuss the pros and cons of adoption. Considerations at the Board level are often less technical in nature and often consider concerns of “over disclosing”. ISCA can help facilitate sharing the experience of those that have already adopted <IR> to prepare CFOs for this discussion.

18. Respondents from companies that had not discussed <IR> at the Board level also indicate a degree openness to adopting <IR> at the company's level, with approximately 45% of the respondents willing to consider <IR>.

**<IR> and Sustainability Reporting**

19. In 2011, the Singapore Exchange (SGX) released a “Guide to Sustainability Reporting for Listed Companies”, which was followed by “An Investor’s Guide to Reading Sustainability Reports” in 2013. Listed companies are warming up to the publication of Sustainability Reports (SR). Since the launch of SR by the SGX, the number of listed companies publishing SR has increased from 13 companies in 2011, to 23 in 2012, and finally 30 in 2013. ⁴

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20. There is anecdotal evidence that the market is confused between <IR> and SR. Figure 3 shows the respondents’ perception of the difference between <IR> and SR.

21. The majority of the respondents perceives SR either as a subset of <IR> (52.6%) or as imperfect perfect substitute with some overlap (26.7%). Only a small percentage of the respondents perceive SR and <IR> as perfect substitutes (4.4%), or that SR is sufficient without <IR> (6.7%). Taken together, this indicates that the adoption of <IR> may be the next natural phase of development for reporting in Singapore, particularly for listed companies, if SGX decides to require publication of SR on a comply or explain basis.
Usefulness of <i>IR</i>

22. Respondents were asked whether they believe <i>IR</i> will help to improve the current financial reporting. 72.6% (98/135) agreed with this position, and 64.3% of these (63/98) respondents were from the financial statement preparers group.

23. Respondents who see <i>IR</i> as a tool that will help improve the current financial reporting were asked to indicate what the perceived benefits are. Table 3 shows the articulated perceived benefits among.

<table>
<thead>
<tr>
<th>Perceived Benefits of Adopting &lt;i&gt;IR&lt;/i&gt;</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve communication with external stakeholders</td>
<td>60.7%</td>
</tr>
<tr>
<td>Improve transparency and governance reporting</td>
<td>60.0%</td>
</tr>
<tr>
<td>Promote integrated thinking through breaking silo within organization</td>
<td>38.5%</td>
</tr>
<tr>
<td>Easier access to capital</td>
<td>8.1%</td>
</tr>
<tr>
<td>Lower cost of capital</td>
<td>8.1%</td>
</tr>
<tr>
<td>Increase share price</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

24. Improved communication with external stakeholders and improvement in transparency and governance reporting are expected to be the two main benefits of adopting <i>IR</i>. Easier access to capital, lower cost of capital, and increased share price are not expected to result from adopting <i>IR</i> at this stage. This may suggest a less direct linkage between capital access and financial reporting. However, if <i>IR</i> improves communication with stakeholders – including capital providers – <i>IR</i> may still facilitate capital raising in a competitive landscape.
Benefits, Costs and Efforts in Adopting <IR>

25. The respondents were asked to indicate the expected magnitude of the benefits, costs, and efforts associated with adopting <IR> using 50 as the baseline for the benefits, costs and efforts of financial reporting practices. Table 4 shows the expected magnitude of benefits, costs and efforts.

Table 4: Expected Cost, Benefits and Efforts in Adopting <IR>
Panel A: Responses for All Respondents

<table>
<thead>
<tr>
<th></th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Median</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits of &lt;IR&gt;</td>
<td>50</td>
<td>150</td>
<td>70.0</td>
<td>70.0</td>
<td>13.2</td>
</tr>
<tr>
<td>Cost of Preparing &lt;IR&gt;(^5)</td>
<td>50</td>
<td>500</td>
<td>82.1</td>
<td>75.0</td>
<td>46.4</td>
</tr>
<tr>
<td>Efforts in Preparing &lt;IR&gt;(^5)</td>
<td>50</td>
<td>500</td>
<td>84.4</td>
<td>80.0</td>
<td>46.6</td>
</tr>
</tbody>
</table>

Panel B: Mean Responses Segmented by Types of Respondents

<table>
<thead>
<tr>
<th></th>
<th>Benefits of &lt;IR&gt;</th>
<th>Cost of Preparing &lt;IR&gt;</th>
<th>Efforts in Preparing &lt;IR&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>70.0</td>
<td>82.1</td>
<td>84.4</td>
</tr>
<tr>
<td>(a) Non-Preparers of Financial Report</td>
<td>70.7</td>
<td>80.9</td>
<td>82.7</td>
</tr>
<tr>
<td>(b) Preparers of Financial Report</td>
<td>69.6</td>
<td>82.8</td>
<td>85.4</td>
</tr>
<tr>
<td>Difference (a) - (b)</td>
<td>1.1</td>
<td>(1.9)</td>
<td>(2.7)</td>
</tr>
<tr>
<td>(c) Level 1 to 2 Knowledge</td>
<td>70.5</td>
<td>81.5</td>
<td>84.3</td>
</tr>
<tr>
<td>(d) Level 3 to 5 Knowledge</td>
<td>68.8</td>
<td>83.3</td>
<td>84.4</td>
</tr>
<tr>
<td>Difference : (c) - (d)</td>
<td>1.7</td>
<td>(1.8)</td>
<td>0.1</td>
</tr>
</tbody>
</table>

26. Using the baseline of 50 for measurement for preparing current financial reporting, Table 4, Panel A shows the mean and median perceived benefits, costs and efforts in preparing <IR>. The median perceived benefits is 70, which can be translated as meaning that at least half of the respondents perceived a 40% or more\(^6\) increase in benefits in using <IR> as compared to the current benefits of financial reporting. However the median perceived costs and efforts in preparing <IR> are higher at 75 and 80 respectively, which means more than half of the respondents expect at least a 50% increase in costs and a 60% increase in efforts. The perceived values of benefits versus costs, and benefits versus efforts, are statistically different. This means the respondents’ perceived benefits of adopting <IR> are significantly smaller in value than the perceived increases in costs and efforts associated with adopting <IR>.

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\(^5\) The mean of the revealed cost and efforts in preparing <IR> are significantly affected by extreme values as the standard deviation is significantly large.

\(^6\) \((70/50 - 1)\ast 100\% = 40\%\)
27. As the results in Table 4 indicate, respondents are of the view that the costs and efforts of producing <IR> outweigh the benefits. The magnitude of the difference between benefits on one hand, and cost and efforts on the other hand, ranges from 10% to 20%, respectively.

28. This finding supports the concerns of many respondents: Although <IR> is expected to increase the benefit compared with current financial reporting in terms of information flow and holistic disclosure, the costs and efforts involved are expected to outweigh the benefits. For <IR> to become a mainstream and dominant reporting practice, ISCA and regulators may have to expend resources to educate and reinforce the benefits of <IR> and at the same time to lower the costs and efforts in producing <IR>. This can be achieved by systematic and targeted education and promulgation of cost effective methods in preparing <IR>.

29. Table 4, Panel B shows a very interesting trend. Preparers of financial reports perceived the benefits of <IR> to be lower and the costs and efforts for preparing <IR> to be higher as compared to non-preparers of financial report. Preparers with medium to high knowledge of <IR> perceive lower benefits and higher costs and efforts in producing <IR> than respondents with no or low levels of knowledge. However, these differences are not statistically significant.

30. Table 5 shows the relative importance of the perceived challenges faced by the respondents in adopting <IR>.

<table>
<thead>
<tr>
<th>Challenges in Adopting &lt;IR&gt;</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs of preparation of &lt;IR&gt;</td>
<td>63.0%</td>
</tr>
<tr>
<td>Lack of a proper information system to produce the &lt;IR&gt;</td>
<td>54.8%</td>
</tr>
<tr>
<td>Fear of divulging market and/or price sensitive information</td>
<td>41.5%</td>
</tr>
<tr>
<td>Lack of connectivity and integration of processes within organisation to enable adoption of &lt;IR&gt;</td>
<td>41.5%</td>
</tr>
<tr>
<td>Fear of litigation given uncertain outcomes of forward looking information</td>
<td>31.9%</td>
</tr>
<tr>
<td>Insufficient evidence of investors’ interest</td>
<td>27.4%</td>
</tr>
<tr>
<td>Lack of support from the Board and senior management</td>
<td>21.5%</td>
</tr>
<tr>
<td>Resistance from the ground level</td>
<td>17.8%</td>
</tr>
</tbody>
</table>

31. The dominant perceived challenge of adopting <IR> is the cost, followed by the challenge of lack of proper information systems to support the production of <IR>. The lack of proper information system to produce the <IR> is likely linked with perceptions of the costs of preparation, as the preparers would have to expend significant costs and efforts to obtain the necessary information. Even where the information is available, the integrity of the information may be problematic.

32. Most respondents did not perceive the divulgence of market and/or price sensitive information as a major challenge. This finding must be interpreted in light of the low number of directors or board members among the respondents, and may not represent the broad perception of concerns with the divulgence of sensitive information among directors or Boards.
33. In summary, the respondents are clearly concerned that the cost of preparing <IR> poses a significant challenge and that the benefits from <IR> may not outweigh the costs. This suggests that reducing the cost of adopting <IR> will lead more companies to adopt <IR> as the reasonable and logical next step in corporate reporting as soon as the benefits are seen to outweigh the reduced costs and efforts.

**Primary Recipient and Preparer of the <IR>**

34. It is important that the <IR> is prepared with specific target recipients in mind and the information contained in the <IR> should meet the general information needs of these identified recipients. Respondents were asked to choose the top three primary recipients of <IR>. Figure 4 shows the relative importance of the various stakeholders as the targeted primary recipients of the <IR>.

![Figure 4: Primary Recipients of the <IR>](image)

35. Investors and providers of capital – both current and potential providers – are seen as the primary recipients of <IR>. Analysts and regulators are also seen as relatively important recipients of the <IR>. This observation is consistent with the purpose of <IR> to provide relevant information about the company, in addition to the traditional financial statements, so that analysts can provide a better analysis of a firm’s performance.

36. Figure 5 below shows who the respondents viewed as the party primarily responsible for the preparation of the <IR>. 
37. An <IR> contains information in addition to financial information, including such related to the governance, business model, risks and opportunities, as well as strategy and resource allocation of the business. Respondents still see the CFO as the primary person responsible for the preparation of the <IR>. This responsibility can increase significantly the workload of the CFO as she has to gather non-financial information and arrange them in a manner which constitutes an <IR>. This task may require the existing CFOs to undergo additional training and familiarization with <IR> to make this possible.

38. 59.3% of the respondents also selected CEO as the party primarily responsible for the preparation of the <IR>. This is a reasonable expectation as the <IR> consists of more than financial information about the business and the CEO is seen as the appropriate party to oversee the preparation of a report containing such information.

39. Just over 50% of the respondents perceived that the Board is primarily responsible for the preparation of the <IR>, ranking the Board third behind the CFO and CEO. This result may be contrary to the expectations of the IIRC, as the <IR> presents the necessary information about the long term well-being and strategic direction of the company, and this responsibility should be primarily of the Board. If the Board is not the primary party responsible for the preparation of the <IR>, there will be a disconnection between the purpose of the <IR> and the governance mechanism for the preparation of the <IR>.
Assurance Provided for <IR>

40. Under current corporate reporting regulation, only financial statements are audited by an external auditor to provide a degree of assurance on the truthfulness and faithfulness of company reporting. An <IR> consists of more than just financial information, including potentially forecasts or expectations for the future. Respondents were asked to provide indication as to whether an <IR> should be audited in order for the stakeholders to rely on it. The respondents were further asked whether the eight content elements as identified by the IIRC Framework should be audited. Figure 6 below summarizes their responses.

![Figure 6: Response as to whether <IR> should be Audited](image)

41. 50.4% of the respondents think that <IR> should be audited. 37.0% of respondents are not sure. Only 12.6% of the respondents do not want the <IR> to be audited. 

42. Table 6 provides further understanding on the respondents’ opinions concerning whether each of the eight contents of the <IR> should be audited.

---

7 This response must be interpreted in the context that the financial statements of a company are subjected to external audit, which is mandatory.
Table 6: Desirability of Audit for Content of <IR>

<table>
<thead>
<tr>
<th>Content Element</th>
<th>Should the Content be Audited?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Organizational overview and external environment</td>
<td>38.5%</td>
</tr>
<tr>
<td>Governance</td>
<td>13.3%</td>
</tr>
<tr>
<td>Business model</td>
<td>43.7%</td>
</tr>
<tr>
<td>Risks and opportunities</td>
<td>31.9%</td>
</tr>
<tr>
<td>Strategy and resource allocation</td>
<td>38.5%</td>
</tr>
<tr>
<td>Performance</td>
<td>15.6%</td>
</tr>
<tr>
<td>Outlook</td>
<td>38.5%</td>
</tr>
<tr>
<td>Basis for preparation</td>
<td>11.9%</td>
</tr>
<tr>
<td>Overall</td>
<td>12.6%</td>
</tr>
</tbody>
</table>

43. “Governance”, “Performance”, and “Basis for preparation” are viewed as the most important sections for auditing, with 68.9%, 64.4% and 71.9% of the respondents indicating a need for assurance, respectively.

44. The results in Table 6 are consistent with the perceived level of difficulty, or subjectivity, to audit the content element. For example, content elements like “Business model” and “Outlook” have the lowest responses for audit, and these content elements likely pose the greatest challenge for auditing, as well.

45. Respondents who opined that the <IR> should be audited or who are not sure (87.4% of the respondents) were asked to indicate what level of assurance should be carried out. Table 7 below shows the relative importance of the limited or reasonable assurance expressed by the respondents.
Table 7: Desirability of Limited or Reasonable Assurance

<table>
<thead>
<tr>
<th></th>
<th>Yes and Maybe to Audit &lt;IR&gt;</th>
<th>Limited Assurance</th>
<th>Reasonable Assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational overview and external environment</td>
<td>61.5%</td>
<td>49.4%</td>
<td>39.8%</td>
</tr>
<tr>
<td>Governance</td>
<td>86.7%</td>
<td>23.1%</td>
<td>65.8%</td>
</tr>
<tr>
<td>Business model</td>
<td>56.3%</td>
<td>39.5%</td>
<td>43.4%</td>
</tr>
<tr>
<td>Risks and opportunities</td>
<td>68.1%</td>
<td>47.8%</td>
<td>41.3%</td>
</tr>
<tr>
<td>Strategy and resource allocation</td>
<td>61.5%</td>
<td>49.4%</td>
<td>38.6%</td>
</tr>
<tr>
<td>Performance</td>
<td>84.4%</td>
<td>25.4%</td>
<td>67.5%</td>
</tr>
<tr>
<td>Outlook</td>
<td>61.5%</td>
<td>60.2%</td>
<td>28.9%</td>
</tr>
<tr>
<td>Basis for preparation</td>
<td>88.1%</td>
<td>27.7%</td>
<td>63.9%</td>
</tr>
<tr>
<td>Overall</td>
<td>87.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

46. More than 60% of the respondents desire to have reasonable assurance for governance, performance and basis for preparation. Overall, the content elements with the strongest support for audit are also seen as needing a higher level of assurance than the elements that are seen as less important to audit.

47. Respondents expressed a desire to have limited assurance for organizational overview and external environment, strategy and resource allocation, and outlook, despite the fact that these contents may be very difficult to be audited. This is particularly the case for outlook, which is future oriented.

48. We further analyze the respondents’ opinions as to whether <IR> should be audited, according to whether the respondents are preparers of financial reports or not, as shown in Table 8.

Table 8: Desirability of Audit for <IR> According to Types of Respondents

<table>
<thead>
<tr>
<th>Types of Respondents</th>
<th>No</th>
<th>Maybe</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparers of Financial Report</td>
<td>12.0%</td>
<td>52.0%</td>
<td>48.0%</td>
</tr>
<tr>
<td>Non-Preparers of Financial Report</td>
<td>18.6%</td>
<td>25.6%</td>
<td>74.4%</td>
</tr>
<tr>
<td>Overall</td>
<td>12.6%</td>
<td>37.0%</td>
<td>50.4%</td>
</tr>
</tbody>
</table>
49. The findings in Table 8 are consistent with our expectation that non-preparers of financial report are more likely to desire the <IR> to be audited since they do not bear the cost of audit. The preparers of financial report are less supportive of the <IR> to be audited overall, but they hold a “maybe” position instead of an outright rejection of the need for audit.

50. The overall findings suggest that the respondents desired certain degree of assurance of <IR>, though limited or reasonable audit may suffice for the majority of the contents. The desirability of audit depends on ease of auditing the content, and whether the respondents are preparers of financial report or not.

Statement of Acknowledgement

51. Most of the respondents responded that those charged with governance should include a statement acknowledging their responsibility for the <IR>. The expectation here is that either the Board or the management will have to articulate that they are responsible for the <IR>. This is show in Figure 7 below.

![Figure 7: Statement of Acknowledgement for <IR>](image)

52. The respondents were asked to provide reasons for requiring a statement of acknowledgement. Appendix B list the reasons provided. The main reason is the need for accountability. We extract a few of the more pertinent reasons given.

a. Emphasizes on the importance so that this does not become a cursory document

b. Governance involves accountability and responsibility. Those charged with governance should always be responsible and accountable for what they have prepared.

c. Just like audit opinion, stakeholder always like to see some form of assurance from the party responsible for <IR> to ensure relevance and reliability of the report.

d. Management or preparer of the <IR> will have the incentive to prepare the <IR> with due diligence.

e. This is to assure that the <IR> are prepared by a responsible person. By holding the preparer liable for their action, the stakeholders will have some comfort when relying on the <IR> for investing in the company.
Implementations of <IR>

53. The respondents were asked whether they would prefer to have the <IR> as an international standard that is applicable to all jurisdictions (much like the IFRS) or to have a generally accepted <IR> practice with appropriate adaptation to address corporate reporting needs in each country. 64.4% of the respondents favour a generally accepted <IR> practice.

54. Appendix C contains some of the reasons why the respondents prefer the option of their choice. We extract a few of the more pertinent reasons given.

a. A generally accepted <IR> practice is more appropriate as each country is unique.

b. Companies operate globally so it is important to be able to compare across countries with the same framework.

c. Unlike financial standards, some of the standards applicable for non-finance related activities could be quite area-specific for e.g. health and safety in a manufacturing sector or HR policy relating to certain types of training, etc.

d. The purpose of <IR> is to improve communication to stakeholders, hence it should be tailored specifically to the corporate reporting needs in each country subject to the boundaries of an overall framework.

55. The respondents were asked how <IR> should be implemented if it is to be adopted in Singapore. The respondents were generally split between the option for a market-driven approach or a ‘comply or explain’ regime, with less support for <IR> to be regulatory driven. The responses are summarised in Figure 8 below.

Figure 8: Responses to Implementation of <IR>
56. Figure 9 shows the respondents’ views on the link between adoption of <i>IR</i> and Singapore as an attractive place for doing business. More than 50% of the respondents are not sure whether the implementation of <i>IR</i> will make Singapore a more attractive place for doing business. 37% believe that the adoption of <i>IR</i> as a form of reporting in Singapore will make it a better place to do business. This indicates that <i>IR</i> is not just seen as a tool for managing or overseeing businesses, but that the benefits of <i>IR</i> may accrue to stakeholders that are not directly involved with running the business.

![Figure 9: Response to Whether the Adoption of <i>IR</i> will make Singapore a more Attractive Place for Business](image)

57. Table 9 shows the views of the link between <i>IR</i> and doing business, broken down according to the level of knowledge of <i>IR</i>. Respondents with medium to high levels of knowledge about <i>IR</i> are more positive that <i>IR</i> will make Singapore a better place to do business. As expected the most negative response came from the group of respondents with the lowest level of knowledge of <i>IR</i>.

<table>
<thead>
<tr>
<th>Level of Knowledge of &lt;i&gt;IR&lt;/i&gt;</th>
<th>Will the adoption of &lt;i&gt;IR&lt;/i&gt; as a form of reporting in Singapore will make it a better place to do business.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>1</td>
<td>14.3%</td>
</tr>
<tr>
<td>2</td>
<td>12.7%</td>
</tr>
<tr>
<td>3</td>
<td>10.7%</td>
</tr>
<tr>
<td>4</td>
<td>0.0%</td>
</tr>
<tr>
<td>5</td>
<td>0.0%</td>
</tr>
<tr>
<td>Overall</td>
<td>11.1%</td>
</tr>
</tbody>
</table>
58. The reasons provided by the respondents as to whether IFR will make Singapore a more attractive place for business can be found in Appendix D. Some of the more pertinent reasons given are provided below:

a. Accounting reporting are historical information and it is always too late to address an issue by the time it happens. With IFR, broad framework can be set to report on governance, structure and some forward looking information which can be disclosed for the company. A framework should be set up for each industry sector if possible.

b. Costs in Singapore are already too high. Adding the cost of IFR would make more people turn away from Singapore due to added cost of reporting.

c. There are many factors affecting the attractiveness of doing business in Singapore. Corporate reporting plays a small part.

d. While IFR gives a more holistic view of an organisation’s performance, what really affects organisations’ decisions are cost of set up, reliability of infrastructure and ready pool of skilled resource, rather than holistic view of company information.

59. These findings are not surprising, and suggest that perceptions of the usefulness of IFR in Singapore are significantly affected by the level of knowledge of respondents about IFRs. Therefore, the way forward is to increase the awareness of IFR so as to move individuals to the higher level of knowledge of IFR.

**Support and Promotion of IFR**

60. Respondents were further asked what kind of support they would expect of the regulators if IFR is to be commonly used in Singapore. Table 10 below provides a summary of the responses.

<table>
<thead>
<tr>
<th>Support to be Provided by Regulators</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reasonable timeframe for implementation</td>
<td>123</td>
<td>91.1%</td>
</tr>
<tr>
<td>Technical and preparation advice</td>
<td>115</td>
<td>85.2%</td>
</tr>
<tr>
<td>Recognition for adoption</td>
<td>69</td>
<td>51.1%</td>
</tr>
<tr>
<td>Financial incentives for adoption</td>
<td>59</td>
<td>43.7%</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
<td>3.7%</td>
</tr>
</tbody>
</table>
61. The respondents are particularly concerned with having a reasonable timeframe to implement <IR> if it becomes a requirement. In addition, technical and preparation advice were highlighted as major challenges that can be provided for by the regulators.

62. The ‘Others’ response include:

a. Exempt companies with low capitalisation from preparing <IR>.

b. Financial incentives and assistance for the information system set-up.

c. Inform top management that the change is mandated and they have a responsibility to implement it.

d. Encourage leading companies in Singapore to prepare the report for the first time since they have resources and competency to do it. Thereafter others will follow them through self-motivation and looking at the benefits of reporting.

e. Provisions of training and taxation incentives

63. Finally, the respondents were asked what role ISCA can play to enhance the knowledge of <IR> and to promote <IR> in Singapore. Table 11 provides a summary of the responses of the participants.

<table>
<thead>
<tr>
<th>Role of ISCA</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct training seminars and workshops on preparing &lt;IR&gt;</td>
<td>113</td>
<td>83.7%</td>
</tr>
<tr>
<td>Provide technical advice and consultancy on &lt;IR&gt;</td>
<td>108</td>
<td>80.0%</td>
</tr>
<tr>
<td>Conduct research on the benefits and cost of &lt;IR&gt;</td>
<td>95</td>
<td>70.4%</td>
</tr>
<tr>
<td>Showcase the best practices in &lt;IR&gt; from overseas</td>
<td>94</td>
<td>69.6%</td>
</tr>
<tr>
<td>Create effective communication channels to supply timely and relevant updates from the International &lt;IR&gt; Council and its equivalents</td>
<td>85</td>
<td>63.0%</td>
</tr>
<tr>
<td>Create a platform for &lt;IR&gt; adopters to share practices and address implementation challenges</td>
<td>84</td>
<td>62.2%</td>
</tr>
<tr>
<td>Provide due recognition to &lt;IR&gt; adopters for instance, national level and/or international level awards</td>
<td>57</td>
<td>42.2%</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

64. Conducting training seminars and workshops, and the provision of technical advice and consultancy, are the highest demand services that ISCA can provide. Respondents see a role for ISCA to play as the technical expert in providing training, consultancy and advice to companies which need help in adopting <IR>. 
65. The respondents provide very good suggestions on other aspects of <IR> in general which are compiled in Appendix E. Some of the pertinent suggestions include:

a. ISCA, like ICAEW and ACCA in UK, can also do more to engage stakeholders from other technical fields i.e. environmental, social accounting. This will broaden understanding of the depth of non-financial indicators and how they are applied. Without this understanding, it may be difficult for mainstream accountants, given our training, to take <IR> seriously.

b. For any implementation, it will be good to know its cost and benefits. What is good for one company may not be competitive for others. Lastly, what are the companies’ sentiments on the implementation?? With the current standards and reporting, many companies are finding the standards and reporting very time consuming, costly and complicated.

c. A stage by stage implementation of key reporting areas by industry type will be useful as otherwise companies will be overwhelmed by the many variables involved. As Singapore is very much a global player with companies listed here having subsidiaries or being a subsidiary of companies located outside Singapore, these countries’ implementation framework should be taken into account in arriving at the broad framework.

d. Select a few companies from each and every industry, give them 100% funding for the adoption of <IR>, make them the champions. Show that <IR> is feasible across all industries, and that there are concrete examples that the rest can follow. And target SMEs too. No point looking always at large listed companies in services or industries with only big competitors. SMEs form a large part of the local business landscape. Many are willing, but incapable (too expensive). The 100% funding is important - as it is, financial reporting is already seen as nothing but a high cost of compliance, and resistance is bound to be strong.

Conclusion

66. The purpose of this survey is to understand the awareness of <IR> from the various stakeholders who rely on the current financial reporting for information about companies. The findings of this survey will assist ISCA and the regulators to promulgate strategies and action plans to make Singapore into the hub of <IR> in South-East Asia as envisioned by the Singapore Accountancy Commission.

67. We found that <IR> is still at an infant state in Singapore as the level of knowledge of <IR> is not high amongst the respondents. However, there is significant interest in <IR> and the respondents indicate strong demand for resources and services to assist them to learn more about <IR>.

68. The respondents see a significant educational role to be played by ISCA in raising the level of knowledge for players in the market on the use of <IR>. Such services are expected to decrease the costs and efforts associated with adopting <IR> and increase the benefits for the preparers and users of <IR> reports.

69. The implementation of Sustainability Report can be seen as aiding the eventual implementation of <IR> as the respondents perceive Sustainability Reports as a subset of <IR>. This is a positive finding as the progress made in Sustainability Report can be seen as an evolutionary development towards <IR>.

70. Participants perceive that the increase in costs and efforts associated with preparing an <IR> may outweigh the benefits. This finding supports the fact that the greatest perceived challenge for the respondents in the adoption of <IR> is the cost of preparation. ISCA and regulators will have to consider how to increase the benefits of <IR> and reduce the costs and efforts in preparing <IR> if it is to become the norm in the market.
71. The respondents overwhelmingly see the providers of capitals as the primary user of <IR>, with analysts and regulators as the other important users. This is consistent with the intention of the <IR>, namely to provide better information to allow users to make informed investment decision.

72. The respondents opined that the preparation of <IR> should be the responsibility of the CFO despite the fact that <IR> consists of more than just financial information.

73. The majority of the respondents think <IR> should be audited. However, only reasonable assurance is needed for content covering governance, performance and basis for preparation. Respondents acknowledged the difficulties of auditing business model and outlook. Thus, they opined that a limited assurance may suffice for these two areas.

74. Respondents want those who are charged with governance to acknowledge in a statement their responsibility for the <IR>. This is to provide added assurance to <IR> to be relied on for decision making.

75. Respondents prefer a generally accepted approach to <IR> rather than an international standard which is applicable to all jurisdictions. The respondents are split on whether the implementation of <IR> should be market driven or under a ‘comply or explain’ regime, but they are less inclined to have a regulatory driven <IR>.

76. The respondents are not optimistic that the implementation of <IR> will make Singapore a more attractive place for doing business. However, this impression is confined to respondents who are not conversant with <IR>.

77. The respondents believe that ISCA and the regulators have significant roles to play in the implementation of <IR>. Some of the roles include provision of financial incentives, technical training and learning resources, and creating and disseminating best practices.

78. Finally, some of the respondents opined that because Singapore is plugged into the global economy, it will be inevitable for her to follow the best reporting practices in the world.
Appendix A: Survey Instrument

ISCA–NUS Integrated Reporting Survey 2014

Objectives of the Survey

This survey, jointly conducted by ISCA–NUS, seeks to collate an understanding of the awareness of Integrated Reporting from the various stakeholders who rely on the current financial reporting for information about companies. In particular, the survey seeks to find out both the level of awareness and the perceptions of market participants about Integrated Reporting which is an emerging form of corporate reporting to address the informational needs of stakeholders. The findings will form the basis for the Institute and various bodies to conceive initiatives to promote Integrated Reporting as well as to help address implementation issues facing companies.

Your individual response is confidential and only aggregated result is reported.

We appreciate your opinion and thank you very much for taking the time to complete this short survey.

Profile of respondents

Name: ____________________________________________

Organization: ______________________________________

Stakeholders Category

(You can tick more than one category if you belong to more than one category):

☐ Financial Report Preparers (eg. CEO, CFO, Financial Controller, Accountant)
☐ Financial Report Preparers (eg. Audit Committee, Directors)
☐ Auditors
☐ Investors (eg. Shareholders, Analysts)
☐ Regulators
☐ Others, please state: ________________________________

Preferred email address: _______________________________

Contact number: _____________________________________
For Financial Report Preparers Only

Please Tick Your Industry:

- Agriculture and agribusiness
- Automotive
- Chemicals
- Construction and real estate
- Consumer goods
- Defense and aerospace
- Education
- Energy and natural resources
- Entertainment, media and publishing
- Financial services
- Healthcare, pharmaceuticals and biotechnology
- Information technology
- Logistics and distribution
- Manufacturing
- Professional services
- Retail
- Telecommunications
- Transportation, travel and tourism
- Other (please specify):
  - __________________

Market Capitalisation

(as at 31 Dec 2013 where appropriate)

- Less than S$300million
- S$300million to less than S$1billion
- More than S$1 billion
- Non-listed Company

Is your company a Temasek-Linked Company (TLC) or Government Linked Company (GLC)?

- Yes
- No
Questionnaire

A. Level of awareness

1. How much do you know about Integrated Reporting? (1 = No knowledge and 5 = in-depth knowledge)?

   1  2

   a. Do you plan to know more about Integrated Reporting?
      □ Yes □ No

   3  4  5

   b. Has Integrated Reporting been discussed at the Board level?
      □ Yes □ No

   c. Would your company consider adopting Integrated Reporting?
      □ Yes □ No

2. What do you perceive as the key difference between Integrated Reports and Sustainability Reports? Please tick the most appropriate response.

   □ They are perfect substitutes
   □ They are not perfect substitute but overlapped
   □ Sustainability Reporting is a subset of Integrated Reporting
   □ Integrated Reporting makes Sustainability Reporting Redundant
   □ Sustainability Reporting is sufficient without Integrated Reporting
   □ Others: ________________________________
B. Perceived benefits

3. Do you believe that Integrated Reporting will help to improve the current financial reporting of your company?
   
   □ Yes   □ No

4. If yes for Q3, what are the perceived benefit(s) in adopting Integrated Reporting?
   Please tick all that applies.

   □ Improve communication with external stakeholders
   □ Easier access to capital
   □ Lower cost of capital
   □ Increase share price
   □ Improve transparency and governance reporting
   □ Promote integrated thinking through breaking silos within organisation
   □ Others: __________________________________________

5. If yes to Q3, assuming that the current benefits derived from financial reporting is given a score of 50, how would you score the benefits of Integrated Reporting using the current financial reports for your company as a baseline?
   
   Please write your score in this box (min 50) __________________

C. Perceived benefits

6. What do you foresee are the top three challenge(s) in adopting Integrated Reporting?
   Please tick your answers.

   □ Insufficient evidence of investors’ interest
   □ Fear of divulging market and/or price sensitive information
   □ Fear of litigation given uncertain outcomes of forward looking information
   □ Costs of preparation of Integrated Report
   □ Lack of connectivity and integration of processes within organisation to enable adoption of Integrated Reporting
   □ Lack of proper information system to produce the Integrated Report
   □ Lack of support from the Board and senior management
   □ Resistance from the ground level
   □ Others: __________________________________________
7. Assuming that the current cost of preparing the financial reports is given a score of 50, how would you score the cost of preparing Integrated Report for your company using the current cost of preparing financial reports for your company as a baseline?

Please write your score in this box (min 50) ________________________________

8. Assuming that the current effort expended by your company in preparing the financial reports is given a score of 50, how would you score the expected effort of preparing Integrated Report for your company using the current effort of preparing financial reports for your company as a baseline?

Please write your score in this box (min 50) ________________________________

D. Primary recipient(s) of and preparers

9. Who should be the primary recipient(s) of the Integrated Reports vis-à-vis the traditional financial reports? Please tick all that applies.

- Current investors or providers of capitals
- Potential investors or providers of capitals
- Analysts
- Regulators
- Suppliers
- Customers
- General public
- Others: _______________________________________

10. Who should be primarily responsible for preparing the Integrated Reports? Please tick all that applies.

- Management – CEO
- Management - CFO
- Board of Directors
- Auditors
- Others: _______________________________________


E. Assurance

11. Do you think stakeholders will require the Integrated Reports to be audited in order for them to rely on the reports? Please tick your answer.

☐ Yes  ☐ No  ☐ Maybe

12. If stakeholders require assurance for Integrated Reports, what is the most appropriate form and level of assurance to be given? [Note: If the Integrated Report includes the financial statements, the latter will continue to be audited in accordance with the regulatory requirements. Hence, the level of assurance on Integrated Report referred to in this question cover areas other than financial statements.]

Would it be desirable to provide a meaningful form of assurance for the following non-financial information? Please tick your response.

<table>
<thead>
<tr>
<th>Organisational overview and external environment</th>
<th>Yes</th>
<th>No</th>
<th>Maybe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business model</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risks and opportunities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy and resource allocation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outlook</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basis of preparation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

13i. For options that you answered yes or maybe to Q12, please tick the corresponding level of assurance in the following table:

<table>
<thead>
<tr>
<th>Level of Assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reasonable Assurance</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>Organisational overview and external environment</td>
</tr>
<tr>
<td>Governance</td>
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<td>Business model</td>
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<tr>
<td>Risks and opportunities</td>
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<tr>
<td>Strategy and resource allocation</td>
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<tr>
<td>Performance</td>
</tr>
<tr>
<td>Outlook</td>
</tr>
<tr>
<td>Basis of preparation</td>
</tr>
</tbody>
</table>

[Note: A reasonable assurance is a positive assurance with a “direct” audit opinion such as: The reports have been prepared in accordance with applicable legislation and standards. A limited assurance is a negative assurance with an “indirect” audit opinion such as: Nothing has come to our attention that causes us to believe that the reports are not prepared in accordance with applicable legislation and standards]
13ii. Notwithstanding the response in Q13i above, should there be assurance of the entire Integrated Report, taken as a whole, prepared in accordance with the Integrated Reporting Framework? Please tick your answer.

☐ Yes  ☐ No

F. Statement of acknowledgement

14. Should there be a requirement for those charged with governance to include a statement acknowledging their responsibility for the Integrated Reporting? Please tick your answer.

☐ Yes  ☐ No  ☐ Maybe

Please provide reason(s) for your above response.

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Standards and implementation

15. Please select the following option. Which option do you prefer?

☐ an “international standard” on Integrated Reporting, which is applicable to all jurisdictions

☐ a generally accepted Integrated Reporting practice with appropriate adaptation to address the corporate reporting needs in each country

Please give reason(s) for your response above.

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16. If Integrated Reporting is to be implemented, how should it be implemented in Singapore? Please tick your answer.

☐ Market driven  ☐ Regulatory driven  ☐ Comply or explain
17. If Integrated Reporting is commonly used by companies in Singapore, will its use make Singapore a more attractive place for doing business? Please tick your answer.

☐ Yes  ☐ No  ☐ Maybe

Please give reason(s) for your response above.

G. Support and promotion

18. What support do you expect from the regulators (ACRA, MAS, SGX etc) if Integrated Reporting is to be commonly used in Singapore? Please tick all that applies.

☐ Reasonable timeframe for implementation
☐ Technical and preparation advices
☐ Financial incentives for adoption
☐ Recognition for adoption
☐ Others:________________________________________

19. What can ISCA do to enhance the knowledge of and to promote Integrated Reporting in Singapore? Please tick all that you perceive to be effective methods.

☐ Conduct research on the benefits and cost of Integrated Reporting
☐ Showcase the best practices in Integrated Reporting from overseas
☐ Create effective communication channels to supply timely and relevant updates from the International Integrated Reporting Council and its equivalents
☐ Conduct training seminars and workshops on preparing Integrated Reports
☐ Provide technical advice and consultancy on Integrated Reporting
☐ Create a platform for Integrated Reporting adopters to share practices and address implementation challenges
☐ Provide due recognition to Integrated Reporting adopters for instance, national level and/or international level awards
☐ Others:________________________________________
H. General

20. Any other comments:

**THE END***
Appendix B : Reasons for Requirement of Statement of Acknowledgement

Q14. Should there be a requirement for those charged with governance to include a statement acknowledging their responsibility for the Integrated Reporting? Please provide reason(s).

1. Those charged with governance will be Board/board committee. There will therefore merely be a formal internal attestation process to provide the necessary comfort to the said board/board committee if the requirement is imposed.

2. This will help the long term investors or share holders to decide whether to favour the respective director in the next AGM election.

3. This will stop passing the bucket around.

4. A statement would make it more transparent.

5. Acknowledgement of management/board's responsibilities in producing a statement that gives a true and fair view.

6. Acknowledgment only to the extent the proper procedures and protocols were followed with respect to reporting.

7. As a form of internal control as well as giving users confidence.

8. As it is a report for various stakeholders and current/potential investors, it should carry clarity in terms of accountability and reliability. It should carry the same weight as the audited financial statements.

9. As understand, the primary purpose of the <IR> is to explain how an organization creates value over time. This <IR> complements the financial reporting which is audited and should be sufficient.

10. Clear accountability (mentioned seven times).

11. Emphasizes on the importance so that this does not become a cursory document.

12. Yes for listed companies since public interests are involved. For non-listed companies, it is within the internal reporting structure.

13. Governance involves accountability and responsibility. Those charged with governance should always be responsible and accountable for what they have prepared.

14. If no one is held responsible, no one will be interested in doing it well.

15. If nobody is taking responsibility for the <IR>, the level of credibility will be very much lower - akin to newspaper publishing erroneous reports or people making irresponsible comments.

16. The YES answer from the company's perspective is to reduce possible damage to the reputation of the organization following erroneous <IR>.

17. The answer from the reader's perspective is actually MAYBE ... yes, to increase the level of faith in the content of the <IR>; no, because errors and omissions will eventually affect the overall reputation of the company (natural disciplinary effect).
18. <IR> contains a lot of information that are forward looking which are usually derive from top management.

19. It is every department head’s responsibility and accountability to the best of their knowledge.

20. It is important that those charged with governance include that acknowledgement statement to provide reasonable assurance to interpreter/user of the <IR> that the preparation of the <IR> is in accordance to IFRS requirements, company policies, etc.

21. It shall be voluntary reporting and the company shall be given free hand to manage how much information to disclose to the public.

22. It should be an implied condition.

23. Just like audit opinion, stakeholder who always like to see some form of assurance from the party responsible for <IR> to ensure relevant and reliability of the <IR>.

24. Lends credibility to <IR>. I think users must understand context of which the <IR> is being prepared.

25. Mainly the information should be coming from the management. Auditors are there to review and challenge constructively those information.

26. Management is responsible for preparation of financial statements as such it is logical to extend to <IR> should it be adopted.

27. Management is unlikely to disclose future strategy publicly as competitors may react and hinder our plan. Not all strategies work, some are aborted due to unsatisfactory performance. A statement of responsibility may be used too loosely in this case. At the same time, the future is uncertain and thus who can give assurance of future performance. A statement of responsibility if acknowledged by senior management may mislead the public that a reasonable assurance is established. This may mislead user confident resulting in unnecessary litigations.

28. Management or preparer of the <IR> will have the incentive to prepare the report with due diligence.

29. Management’s responsibility is to ensure the accuracy of financial statements and <IR> made to users.

30. Many subjective elements will deter preparers from providing an <IR> yet taking responsibility.

31. More useful information for stakeholder.

32. Need to give readers an assurance that corporate governance is in place.

33. Potential liability involved.

34. Provides assurance on what is written.

35. Provides greater credibility to the <IR>.

36. Reasonable assurance.

37. Responsibility should be undertaken on a joint basis i.e. by the people responsible for governance, CEO and the Board of Directors. It is therefore important that the person charged with governance should have dual reporting line to the Board of Directors and CEO. Otherwise, there could be a potential conflict as the CEO is responsible for the day to day running of the business.
38. Should not have differing level of responsibilities for <i><R></i> versus financial reporting. This will demonstrate lack of commitment and awareness, which defeats the aim of <i><R></i> to be increasing awareness of linkages to board and other stakeholders.

39. Since they are charged with governance, they should be also responsible for this.

40. Stakeholders would require a sign off to acknowledge responsibility. However, since there are many components in <i><R></i>, the responsibility may end up more appropriately placed at CEO level.

41. Statement or declaration or acknowledgement may be redundant as they are often given as a ‘formality’ - I think contents and information are more critical.

42. The acknowledgement will further increase the credibility of the statement that has been prepared.

43. The <i><R></i> would be covering critical elements of the organisation’s operations that drive the identified non-financial performance KPIs identified as measures of value creation, both historical and in the future. Such operational elements have to be suitably overseen and those charged with governance must acknowledge that they are aware and responsible for setting the directions for the performance expected of the operating elements.

44. This is to ensure that the <i><R></i> are prepared by a responsible person. By holding the preparer liable for their action, the stakeholders will have some comfort when relying on the <i><R></i> for investing in the company.

45. The preparers of the Annual Reports and <i><R></i> should announce and acknowledge their responsibilities to perform their duties as required by the relevant frameworks.

46. The reason for <i><R></i>is to provide relevant and timely information for key stakeholders. These key stakeholders rely on the information to make decisions which will ultimately affect financial markets.

47. If wrong information is given (either due to fraud or error), causing loss to the stakeholders, then the preparers should be accountable for such loss.

48. In the absence of a standard, <i><R></i> would be no different than the current insights given in annual reports.

49. The statement will be more comply with code if in charge person have more knowledge.

50. There must be stated responsibility by those in charge to reflect their care and concern of the inclusion of governance materials within the <i><R></i>.

51. There should be a define line of authority so that we know who is responsible when things go wrong.

52. They should act as a check and balance.

53. This helps all related parties to have a better knowledge of those who are responsible for any important areas.

54. This is to confirm that those responsible for approval of the <i><R></i> is aware and extend of their responsibility and avoid mis-communication. It will help to ensure that the info inside the IR is correct as far as they are concerned.

55. This is to ensure that there is oversight of the IR preparation and its importance is equal to or greater than the Financial Reports. To provide the credibility of the IR for investors to rely on.
56. This will make the preparer more aware of his/her responsibilities

57. This would indicate clearly who is the main party responsible for the <IR>.

58. Those charged with governance are responsible for the contents of the <IR> and thus their responsibility should be stated in the statement. This gives the readers an assurance that the <IR> is prepared with truthfulness.

59. Those charged with governance set the right tone from top, in turn, will affect the transparency of the <IR>. To acknowledge their responsibility is a kind of assurance.

60. Those charged with governance should have reasonable oversight for the <IR> responsibilities.

61. Those charged with governance should take full responsibility of the <IR>.

62. This is to provide credibility and accountability to the <IR>.

63. To assure the stakeholders on the quality, accurateness of the <IR>.

64. To emphasis the responsibility and duties they are carried for the <IR> that issued.

65. To encourage responsibility

66. To give assurance to the stakeholders who use the <IR> as the preparers take responsibility for the preparation of the <IR>.

67. To have certain form of responsibility and accountability

68. To have senior management commitment within an organisation and not just holding external auditors responsible. This is likely to improve internal accounting standards as well.

69. To improve the reliability of the <IR>.

70. To prevent readers from having an impression that the IR is the responsibility of the auditors and that the <IR> has been audited.

71. To provide minimum standards of <IR>.

72. To provide stakeholders confidence of <IR>.

73. Seriously, <IR> is more applicable for listed and conglomerate or MNC that has overseas operation. For SME, it would overkill them. Cost is one thing, knowledge is another.

74. 各负其责 (each has his own responsibility).
Appendix C: Application of <IR>

Q15. Please select the following option. Which option do you prefer?

<table>
<thead>
<tr>
<th>Options</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>an international standard on Integrated Reporting, which is applicable to all jurisdictions</td>
<td>48</td>
<td>35.6%</td>
</tr>
<tr>
<td>a generally accepted Integrated Reporting practice with appropriate adaptation to address the corporate reporting needs in each country</td>
<td>87</td>
<td>64.4%</td>
</tr>
<tr>
<td>Total</td>
<td>135</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Please give reason(s) for your response above.

1. To attract the international investors to Singapore listed companies.
2. To compare with the other companies in different jurisdictions and also same industry.
3. Facilitate Groups with operations across regions.
4. A generally accepted <IR> practice is more appropriate as each country is unique.
5. A generally accepted <IR> may have a wide variance in practice.
6. A level of flexibility should be given to account for the varying environmental factors in different countries.
7. A reporting more in line with the country’s needs would be more apt.
8. A standard is too restrictive and implies compliance and regulatory requirements.
9. A standardised basis for comparison would eliminate distortion of information due to adjustment.
10. Adapt to the unique business operating environment in each country.
11. Always good to adopt international standard in a globalized world.
12. An acceptable degree of flexibility should be given for practical reasons.
13. As Singapore is going international, different countries have their own jurisdictions and the <IR> practice should be based on the country’s jurisdiction. If the jurisdiction in that particular country does not adopt international standard, then Singapore standard should prevail.
14. Communication between countries with regard to reporting should meet some kind of common standard to increase investor understanding and to promote international investing on all levels.
15. Companies have different needs. Managements also have different views. They may only choose what they really need.
16. Companies operate globally so it is important to be able to compare across countries with the same framework.
17. Countries like Singapore already enjoy a privilege of recognition with regards to reporting due to standards maintained by ACRA. The accepted <IR> should further this already well established minimum standard. Other countries may need to start at a lower point to firstly establish an accepted level.

18. Different regulation in different country. Some reporting may not apply to all countries.

19. Different countries may have different requirements in reporting, same for different industry as such it may be difficult to have a one size fits all standard for the different corporations operating in all jurisdictions.

20. Different jurisdictions would have different operating environments and thus different needs for the <IR>.

21. Difficult to achieve in the short term as there are already financial reporting differences on a country-by-country basis.

22. Disclosure standards are higher in developed countries compared to others. Cost of compliance and getting the right expertise would be very high for emerging countries. More appropriate to weigh cost and benefit and adopt with minor modifications.

23. Each country is unique in itself. Business model, economies situation.

24. Each individual country has its own culture and ruling.

25. Easier to compare information by investors.

26. Easier to consolidate.

27. Every country has different needs and reporting requirements.

28. For comparability (mentioned two times).

29. Given the globalization today, international standard allows this <IR> to be read in the same understanding.

30. Gives a more structured guidance and reduces ambiguity. Furthermore, anything that is international is usually deemed to be better than local.

31. Having a standard will be easier to comply.

32. Homogeneity.

33. I am always in favour of the manner of reporting that will adapt to the local context as strict adherence to international standard may result in implementation of certain standards that are not desirable in the local context.

34. I believe every country has their own culture and so I believe that the <IR> should be adapted to different countries.

35. If there are value-laden constructs within the <IR> framework, they should be adapted to each country/culture. Nothing is universal, nothing is permanent - not even ethics.

36. It is easier to prepare a report that is appropriate to the country where the business is.

37. It is good to link with international standards.
38. It really depends on how stringent is the international standards. <IR> is providing more depth other than pure financials so I think it will be hard to standardize across the board.

39. It will provide standard for comparison within the same industries or sector.

40. It would otherwise be too onerous for companies in emerging markets.

41. Legacy issues. While <IR> aims to be a separate standalone report, most companies will likely incorporate it into its AR, thus it will be an extension of the OFR and CG statements within the AR, which differ by jurisdictions. At this stage, appropriate adaptation will probably allow more stock exchange regulators and firms to adapt to it.

42. Local conditions can be taken into account and addressed in a timely fashion. There will hopefully also be someone preparers can consult who will be charged with providing guidance and response to queries.

43. More standard more easy to follow.

44. One standard across the board is much easy to follow especially when there are a lot of MNC and cost saving. The standard should keep to the minimum.

45. Some additional information is encouraged to be disclosed but should be in summary format.

46. Practicality.

47. Refer to global best practice.

48. Requiring 1 International Standard would no doubt make it easier to compare statements from one country to another, but is this really necessary? There would be huge costs involved as well.

49. It would be much better for each country to define and adapt the set of principles and guidelines best suited to report on the true and fair view of their country's Annual Reports. Given that also, based on local culture and practice, the same terminology or presentation may hold different meanings for different countries.

50. So that we can compare across different country.

51. Some flexibility should be introduced to cater to different environments

52. Stakeholders and capitalists are from global market.

53. Standard that is applicable to all, will need to be more principle based and guided by appropriate interpretation for adoption to the specific business scenario.

54. As the <IR> complements the financial reporting that is audited, a generally accepted <IR> practice would be a more practical approach.

55. Standards provide guidance, not details.

56. The corporate reporting needs of different countries may be different.

57. The diverse forms of industries, it is difficult to conform to a standard.
58. The IIRC framework is deliberately drafted so as to be principle-based in order to allow for differences. This difference caters to different countries and companies. The issue is rather that more practical guidance is needed.

59. The necessity of the <IR> depends on the size and exposure of the company. New start-up, SMEs may not be able to get benefit from the <IR>, but have to incur additional compliance cost.

60. The purpose of <IR> is to improve communication to Stakeholders, hence should be tailored specifically to the corporate reporting needs in each country subject to the boundaries of an overall framework.

61. The scope of <IR> is wide and a practice guide would be more appropriate than a standard.

62. The world is getting smaller and integrated with more cross-border investment and trade. It will be a difficult task to develop an internal standard but a critical one too. It will only bear fruits 10 to 20 years from now.

63. There are country specific priorities.

64. This is more practical in view of differing business culture.

65. This is to standardize the <IR> and make easy for the readers for comparison for benchmarking purposes.

66. This requires all other countries to be aligned. If that is so, it needs to be internationally accepted. If not, the preparers of those affected countries will suffer. Regulators and standard setter will suffer too.

67. To ensure consistency and comparability.

68. To start off with, a generally accepted <IR> practice with appropriate adaptation will be sufficient evolving to an international standard if necessary. Otherwise, it will be too costly with too many variables to be taken into consideration.

69. Too early to set any standard.

70. Unlike financial standards, some of the standards applicable for non-finance related activities could be quite area-specific for e.g. health and safety in a manufacturing sector or HR policy relating to certain types of training, etc.

71. Voluntary disclosure.

72. (Depending on a country’s conditions and situations, the requirements will be easier to be accepted).
Appendix D: Responses As To Whether <IR> Will Make Singapore A More Attractive Place for Business

If Integrated Reporting is commonly used by companies in Singapore, will its use make Singapore a more attractive place for doing business? Please give reason(s) for your response.


2. Now most of the giant investors are looking for other factors, when investing in a company such as C.S.R.

3. This helps to improve the outlook of capital market. For example, SGX will have to consider implementation if New York and London exchanges are planning to implement <IR>.

4. A new business start-up is dependent on other more essential factors i.e. market place, capital requirement etc.

5. Accounting reporting are historical information and it is always too late to address an issue by the time it happens. With <IR>, broad framework can be set to report on governance, structure and some forward looking information which can be disclosed for the company. A framework should be set up for each industry sector if possible.

6. Although there are benefits (e.g. improved management of stakeholders and increases the robustness of the strategic process), there are offsetting cost (e.g. changing of existing process etc).

7. As long as the compliance is only applicable to companies which are seeking public investors. Privately held companies that seek private investment should not be held to the same standard.

8. At least not at this moment as people do not see the benefits.

9. Until <IR> is welcome and generally accepted as useful information in concise form, Singapore companies with compulsory inclusion of <IR> may attract foreign investment.

10. Costs in Singapore are already too high. Adding the cost of IR would make more people turn away from Singapore due to added cost of reporting (mentioned six times).

11. Demonstrates a higher degree of transparency among the companies and increase the investors’ confidence in Singapore.

12. Depending on the diversification of each organisation, not every organisation may be required to provide <IR>.

13. Depending on how the management of companies views the benefits of having the <IR>.

14. Depending on the information required by the investors and the information that is disclosed. It can be a double-edged sword.

15. Different stakeholders have different expectations. For customer and clients, they may find it more secure with the transparency of the <IR> when making decision for purchase or investment.

16. Different countries have their own business model. What is adopted by Singapore does not necessary mean that Singapore is a more attractive place for doing business. What is important is what are the competitive advantages for companies wanting to do business in Singapore. It is not the <IR> that attracts
foreign businesses to Singapore. Those companies with business acumen will look at other factors in deciding whether to do business in Singapore. As other developing countries are evolving, competition will be greater.

17. Further research should be conducted within Singapore to support the perceived benefits.

18. Gain more confidence from investors.


20. How comfortable are companies and their management to disclose information perceived to be priviledged and confidential?

21. I believe it will be used only by limited groups eg analysts.

22. I fear that <I.R.> would evolve into another boiler plate. I certainly think it should not apply to private and small companies.

23. I think it depends on how useful <I.R.> is at the end of the day.

24. If <I.R.> is a perceived document of a good company.

25. Impact of adopting <I.R.> will not be significant.

26. Increase transparency and improve understanding of the company (mentioned four times).

27. Information overload.

28. <I.R.> aims to induce and communicate long-term thinking and transparency. This has been the competitive edge for Singaporean firms.

29. <I.R.> is one of the many components that would go towards enhancing Singapore’s attractiveness as a place for doing business.

30. <I.R.> will provide more insights about the company.

31. Internationally accepted practice.

32. Investment community will view this as positive, the confidence level of doing business will be enhanced.

33. Investors and potential investors are able to know and understand the future of the company better to make their investment decision.

34. It depends on what industry you are in and what investors expect from your industry.

35. It depends on whether the benefits of transparency and governance outweigh the costs of <I.R.>.

36. It harmonizes with the rest of big nations.

37. It is difficult to perceive the outlook in these terms.

38. It is too early to determine what will work when it comes to <I.R.>, let alone in Singapore!
39. It may create restriction (increased cost may be a factor) and keep businesses constrained.

40. It might be more attractive for large multinationals seeking greater transparency from financial reporting standards, as they can access to more reliable information from the market before committing to Singapore.

41. On the other hand, Singapore is also a hotbed for SME start-ups, and one of the main drivers or new start-ups is cost, including compliance costs. Having to adhere to <IR> may inadvertently raise the cost of starting a new business in Singapore, deterring many.

42. It might increase costs and efforts to prepare.

43. It will take some time to firm up though it may enhance investors’ confidence.

44. Larger firms have already adopted similar approach to <IR>. Smaller firms would find it tough to comply. The benefits to adopt is unknown.

45. Let investors feel more comfort in Singapore.

46. Market prefers to work in a safe environment.

47. More transparency.

48. More trust.

49. Reporting is commonly perceived as a responsibility and onerous for the business - hardly a beneficial consideration.

50. Stakeholders’ confidence will be improved via <IR>, which will communicate information of greater relevance.

51. <IR> is still a relatively new concept.

52. The attraction of Singapore as a place for doing business is dependent on a number of factors, transparent reporting is one of the many.

53. The information given will provide a more comprehensive view of the financial status of the company and hence make it a more attractive avenue for business.

54. The investor will feel that Singapore is a safe place to do business.

55. The new reporting format is expected to be concise and informative.

56. There are many factors affecting the attractiveness of doing business in Singapore. Corporate reporting plays a small part.

57. There are no clear evidence of the benefits of <IR>, but given business competitiveness, it may be good to have <IR>.

58. There have to be users / demand for <IR> for it to be successful and making Singapore a more attractive place for businesses.
59. This will enhance the already good reputation of Singapore as a safe and reliable place of business conduct.

60. This will help multinational organisations to control the business effectively.

61. Uncertain response of mass investors to the <IR>.

62. While <IR> gives a more holistic view of an organisation’s performance, what really affects organisations’ decisions are cost of set up, reliability of infrastructure and ready pool of skilled resource, rather than holistic view of company information.

63. With additional information it should build trust in corporate governance.

64. Yes for those companies that are doing long term sustainable business and not just focused on profitability alone. No for the opportunistic players.

65. Yes, for investments. Its effect on doing business in Singapore is uncertain.
Appendix E

Any Other Comments

1. A great idea.

2. A step-by-step implementation of key reporting areas by industry type will be useful as otherwise companies will be overwhelmed by the many variables involved. As Singapore is very much a global player with companies listed here having subsidiaries or being a subsidiary of companies located outside Singapore, these countries’ implementation framework should be taken into account in arriving at the broad framework.

3. For any implementation, it will be good to know its costs and benefits. What is good for one company may not be competitive for others. Lastly, what are the companies’ sentiments on the implementation?? With the current standards and reporting, many companies are finding the standards and reporting very time consuming, costly and complicated.

4. Given the numerous changes - Basel III, Dodd Frank Act, FATCA, MAS new regulations, accounting standard changes, plus system replacements, finance team in banking and financial services are very stretched to cope with workload.

5. Proposal to adopt <IR> must be studied carefully to understand cost and benefit before implementation.

6. How many jobs will be created if this is a regulatory requirement?

7. Does Singapore has professionals (in tight labour market situation today) to implement this?

8. I’m still sceptical about the benefits of <IR>, as I fear that the cost outweigh the benefit. Also it appears to be another of those things that might benefit the large rather than the small, and my fear is that it would impose undue burden on entrepreneurs. More compliance is therefore not necessarily the best for the country.

9. <IR> should be more cost effective and efficient for preparer of the reports, not increase burden.

10. Life is already hard for financial statement preparers and auditors. Please do not add unnecessary costs and burdens to them. This translates to higher business cost (in addition to high rents and ballooning manpower costs).

11. There is already an existing <IR> database of examples from overseas. What will be helpful is to develop an <IR> database of local/regional examples. While DBS is the only firm in the pilot programme, a number of firms are reviewing the <IR> framework and silently adopting principles as they are cautious to be in the spotlight to be adopting <IR>. Good practices of these firms should be noted too.

12. ISCA, like ICAEW and ACCA in UK, can also do more to engage stakeholders from other technical fields i.e. environmental, social accounting. This will broaden understanding of the depth of non-financial indicators and how they are applied. Without the understanding, it may be difficult for mainstream accountants, given our training, to take <IR> seriously.

13. The conduct a survey from a list of sample business entities and non-profit making entities from various industries to seek their opinion on adoption and implementation of <IR> and time frame for implement if accepted.
14. Also do a research about survey of IR from other countries, eg. UK, USA, Hong Kong & Malaysia and analyse why they accept or reject IR.

15. There must be some body/organization to really educate the public about how GRI, Sustainability Reporting, CSR, <IR>, all comes together. There are so many things out there, the level of confusion is astounding.

16. <IR> needs to be simple - if there is too much strategic content in there, not many people will understand because companies may not want to disclose all the information (where then is the competitive edge) and with partial disclosure, an already difficult concept: Strategy, becomes even harder to grasp. A little knowledge is dangerous.

17. Select a few companies from each and every industry, give them 100% funding for the adoption of <IR> and make them the champions. Show that <IR> is feasible across all industries, and that there are concrete examples that the rest can follow. And target SMEs too. No point looking always at large listed companies in services or industries with only big competitors. SMEs form a large part of the local business landscape. Many are willing, but incapable (too expensive). The 100% funding is important - as it is, financial reporting is already seen as nothing but a high cost of compliance, and resistance is bound to be strong.
Acknowledgements

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For over 45 years, NUS Business School has offered a rigorous, relevant and rewarding business education to outstanding men and women from across the world. The school remains distinctive among the world’s leading business schools by offering the best of global knowledge with deep Asian insights, preparing students to lead Asian businesses to the forefront of the world economy and to help global businesses succeed in Asia.

NUS Business School has consistently received top rankings in the Asia-Pacific region by independent publications and agencies such as The Financial Times, Economist Intelligence Unit, and QS Top MBA, in recognition of the quality of its programmes, faculty research and graduates.

In the latest Forbes rankings for two-year MBA programmes, NUS Business School was rated the top school in Singapore and Asia, and 4th among business schools outside the United States, the first time a Singapore business school has made the list. The Quacquarelli Symonds (QS) list ranked the school 1st in Asia and 8th in the world for accounting and finance. Recently, QS Global 200 Business Schools 2012: The Employers’ Choice Survey rated NUS Business School graduates 3rd in the Asia-Pacific region.

The school is accredited by AACSB International (Association to Advance Collegiate Schools of Business) and EQUIS (European Quality Improvement System), endorsements that the school has met the highest standards for business education.
About ISCA Research

ISCA Research identifies, explores and analyses the major issues driving today’s business dynamics and shaping tomorrow’s marketplace. We aim to closely monitor the accounting and auditing industry in order to provide an outlook for tomorrow. ISCA Research is committed to participating in and supporting high quality research which is focused, timely, relevant and useful to the accountancy profession. We support the conduct of research with a global or local perspective. ISCA Research focuses our attention on continuously connecting with our practice members. Practitioners have numerous concerns and issues on their day-to-day practice. These may range from technical understanding to practical applications or even operational issues. A part of our research is directed at engaging our members to examine these practice matters and exploring practical solutions with them. The various ways that ISCA shows its commitment to the research arena include partnering with business partners or interested parties and involvement in thought leadership activities. There will also be conferences held to feature and showcase the results of our research with our members and the public.

We will continuously seek comments from ISCA members through surveys to gather views from the CA (Singapore) community. Do send your comments to isca.research@isca.org.sg
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