



# Integrated reporting

## The role of Internal Audit

*A learning journey*

*Albert Gerber*  
*Pinnacle Holdings*



Getting there alive...





# Integrated effort

Long term schedule

Clients / customers

IT Infrastructure

Booking office

Maintenance crew

Accounting office

Planning office

Check-in desk

Baggage handlers



Sniffer dogs / security

Ground crew

Flight plan

Air traffic control

Shareholders

Environment

Buildings & infrastructure

Receiving airport staff

Pilot

Co-pilots

Air hostesses

# King III

*“Sustainability reporting and disclosure should be integrated in the company’s **financial reporting** and that the disclosure should be **independently assured.**”*



## ***INTERNAL AUDIT MISSION:***

***To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.***





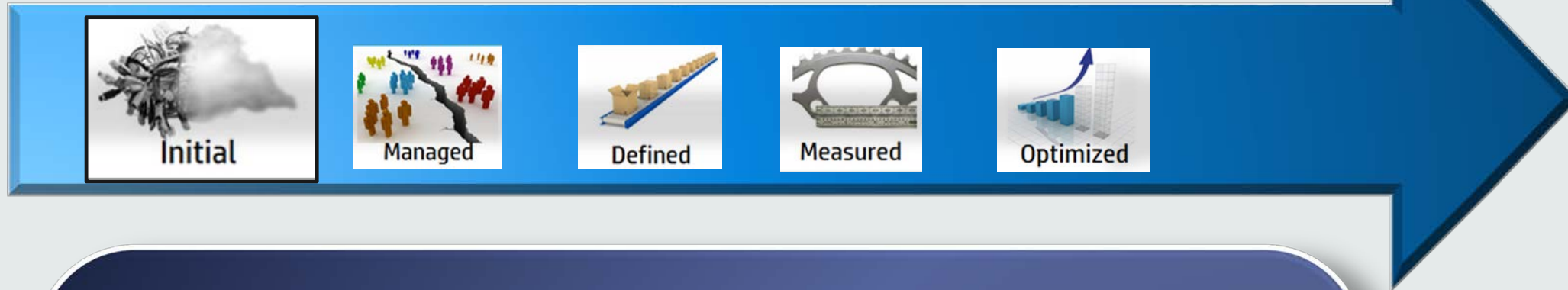


Our  
journey  
together

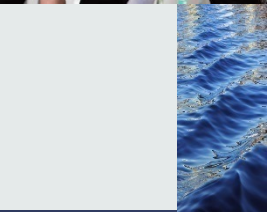
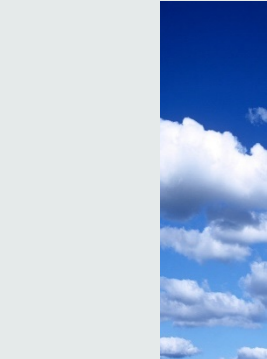
Practical  
vs.  
technical

Ah-ha  
moment

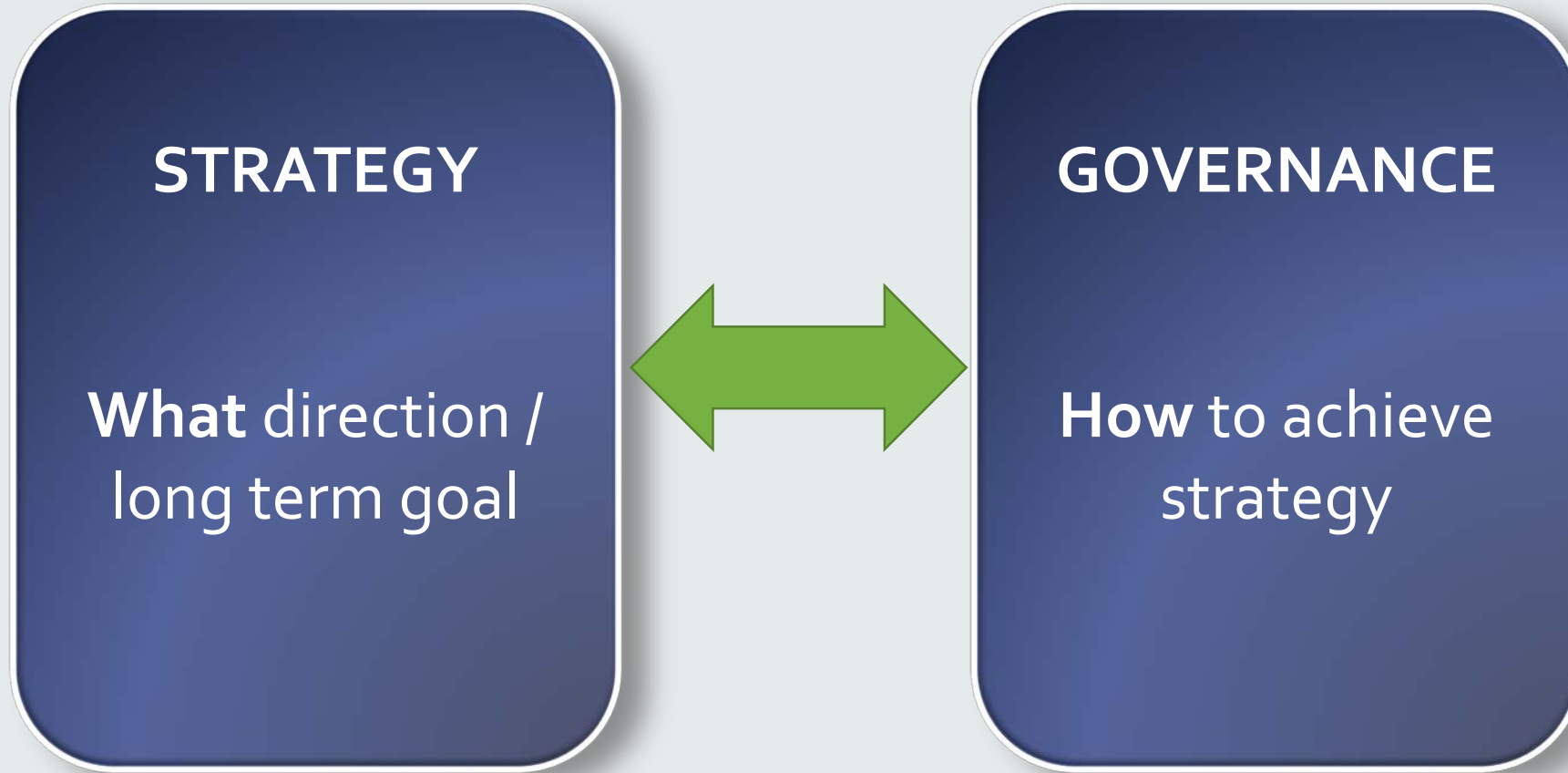
# The journey



- Annual reporting process only
- Research:
  - Integrated Reporting <IR> Framework
  - GRI-4 etc.
- List data types to be reported per GRI-4
- Learn and teach what integrated reporting is
- CONSULTANT (trusted advisor)

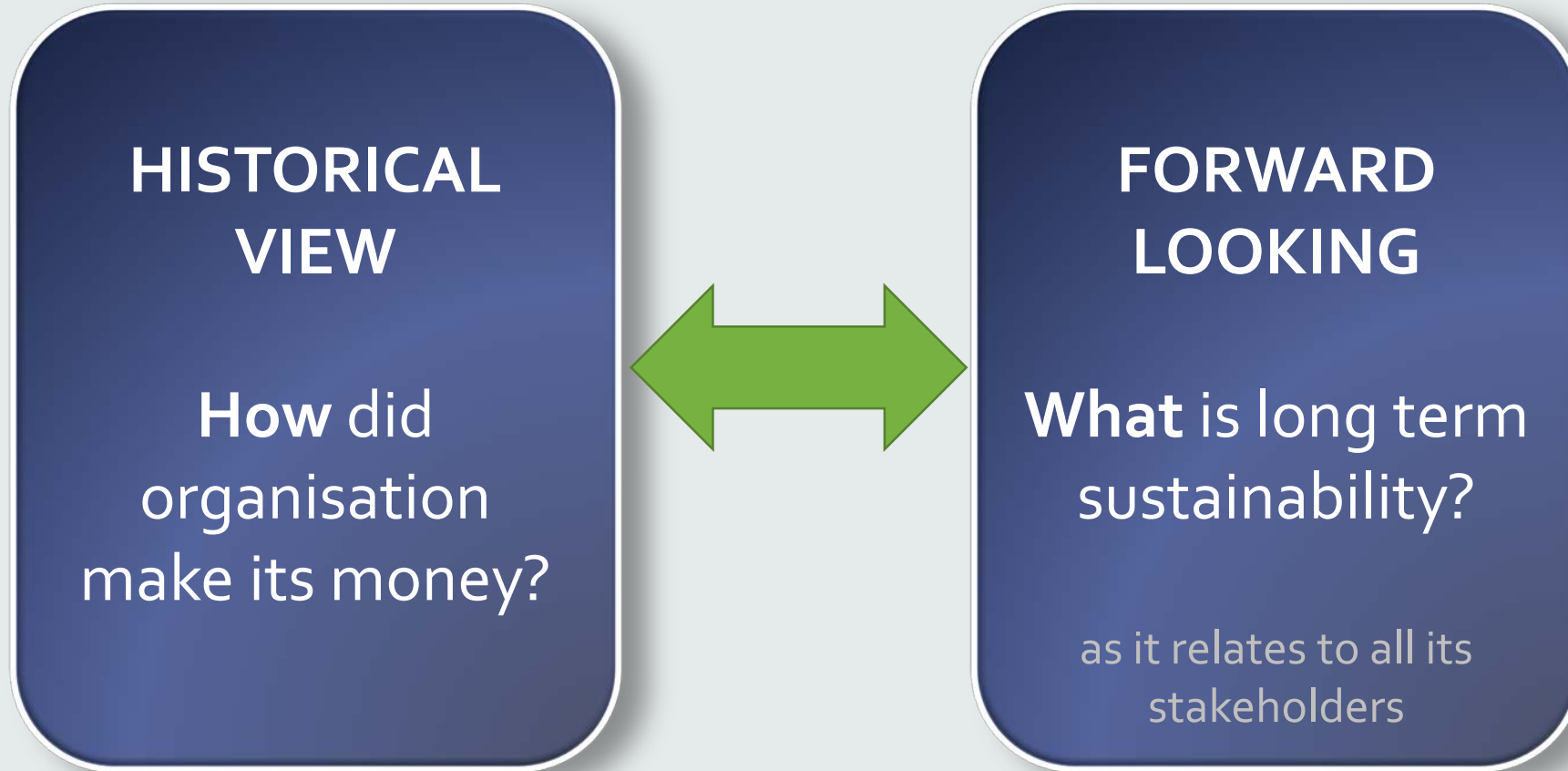


# What is integrated reporting?

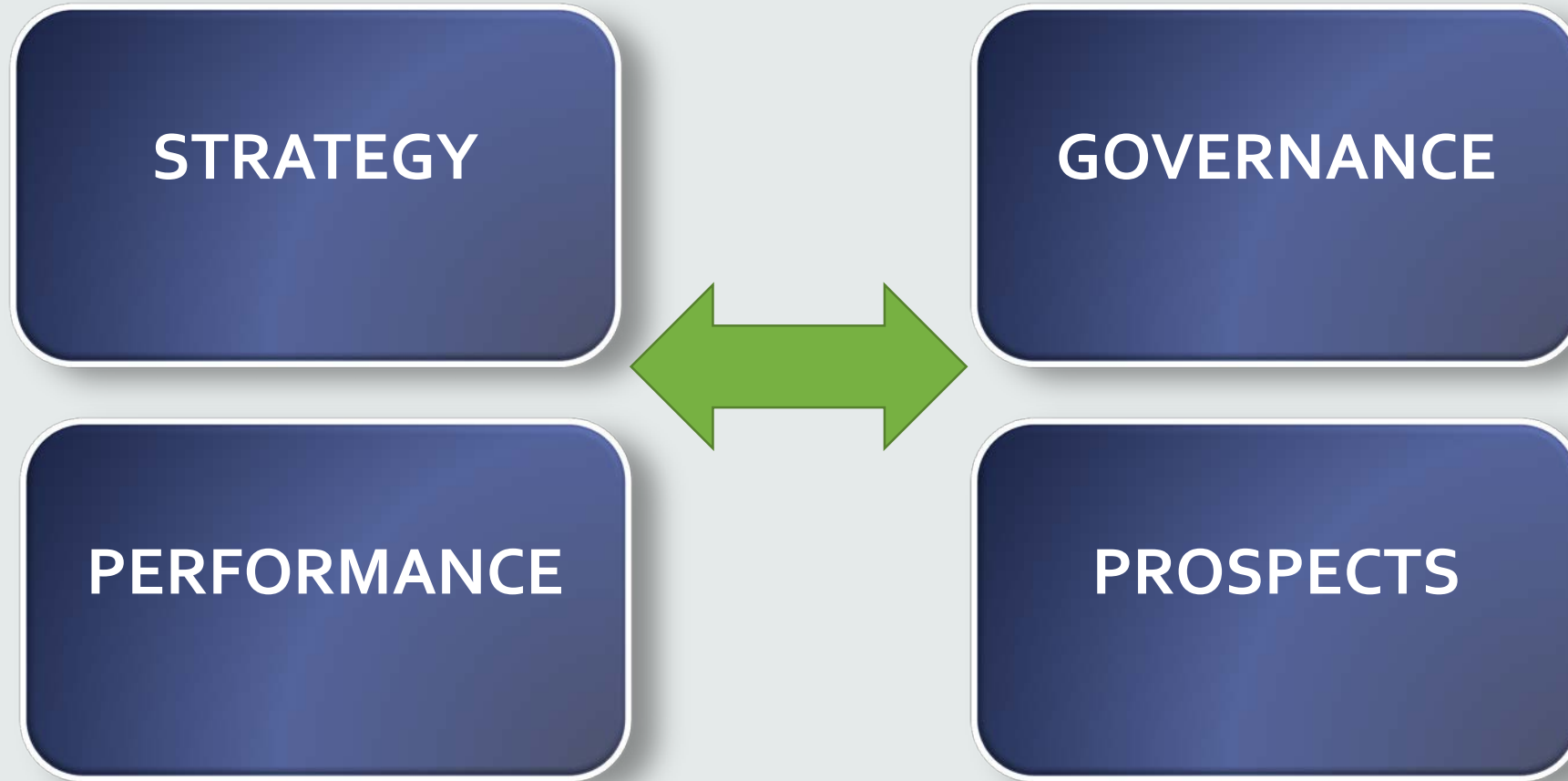




# What is integrated reporting?

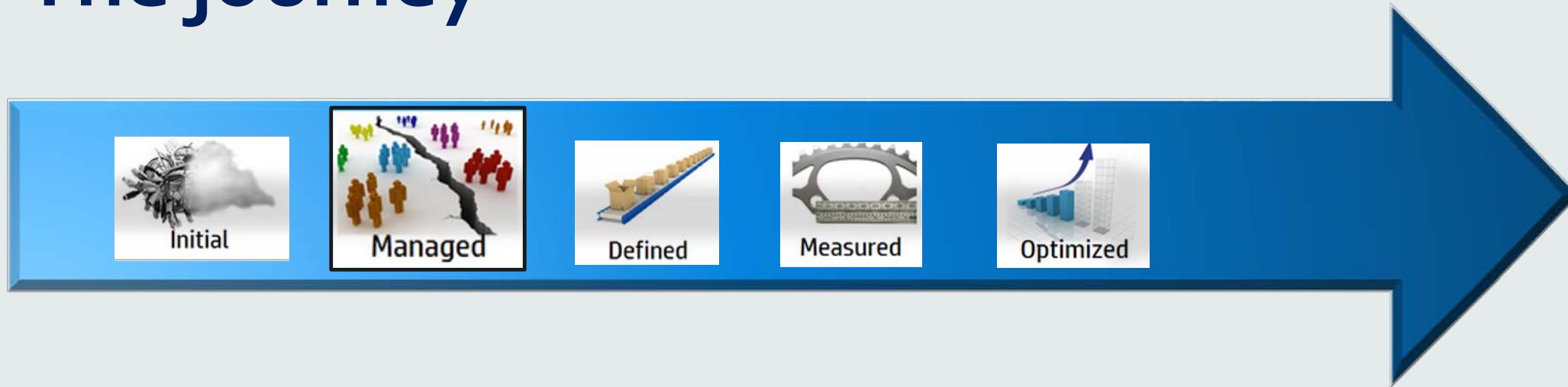


# What is integrated reporting?





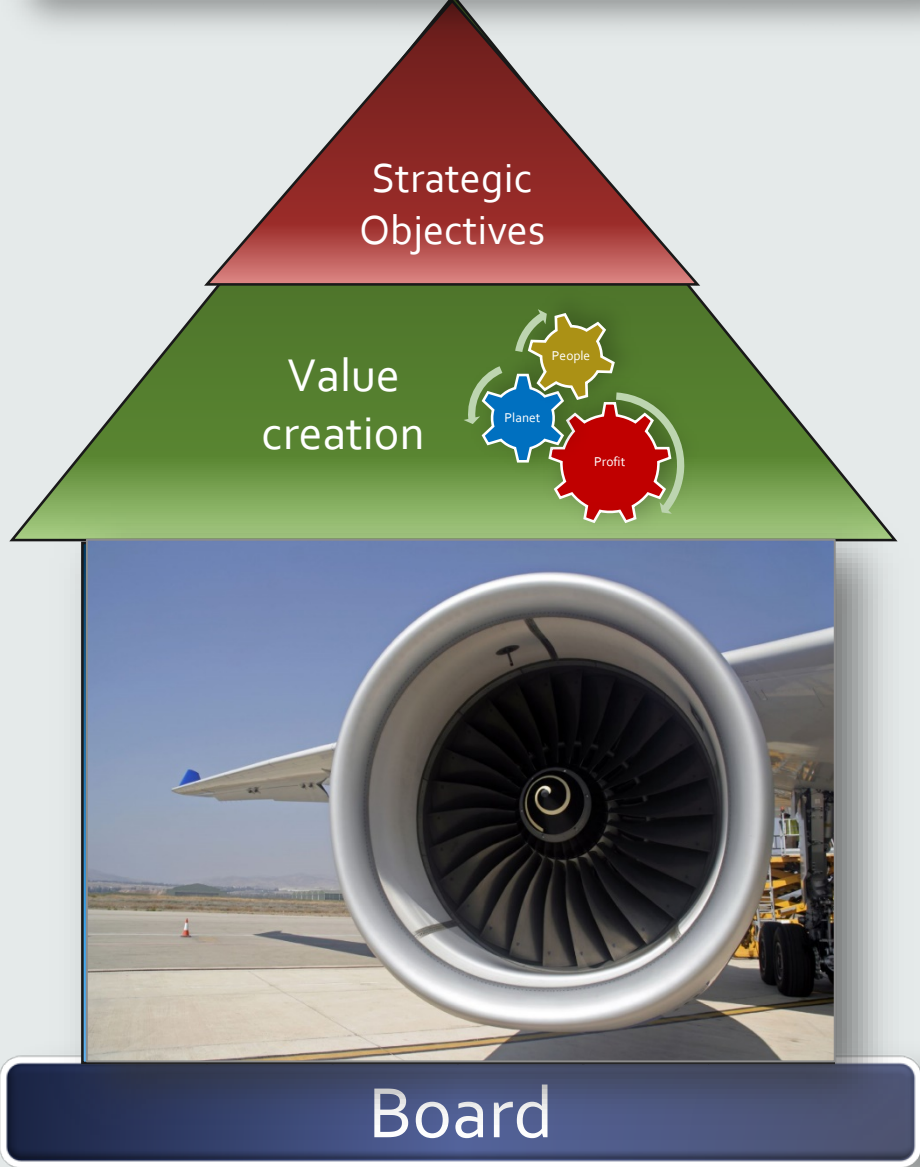
# The journey



- List historical data
- Limited forward looking view
- Better understanding of integrated reporting
- Assurance on data (effectiveness testing)
- CONSULT & ASSURE



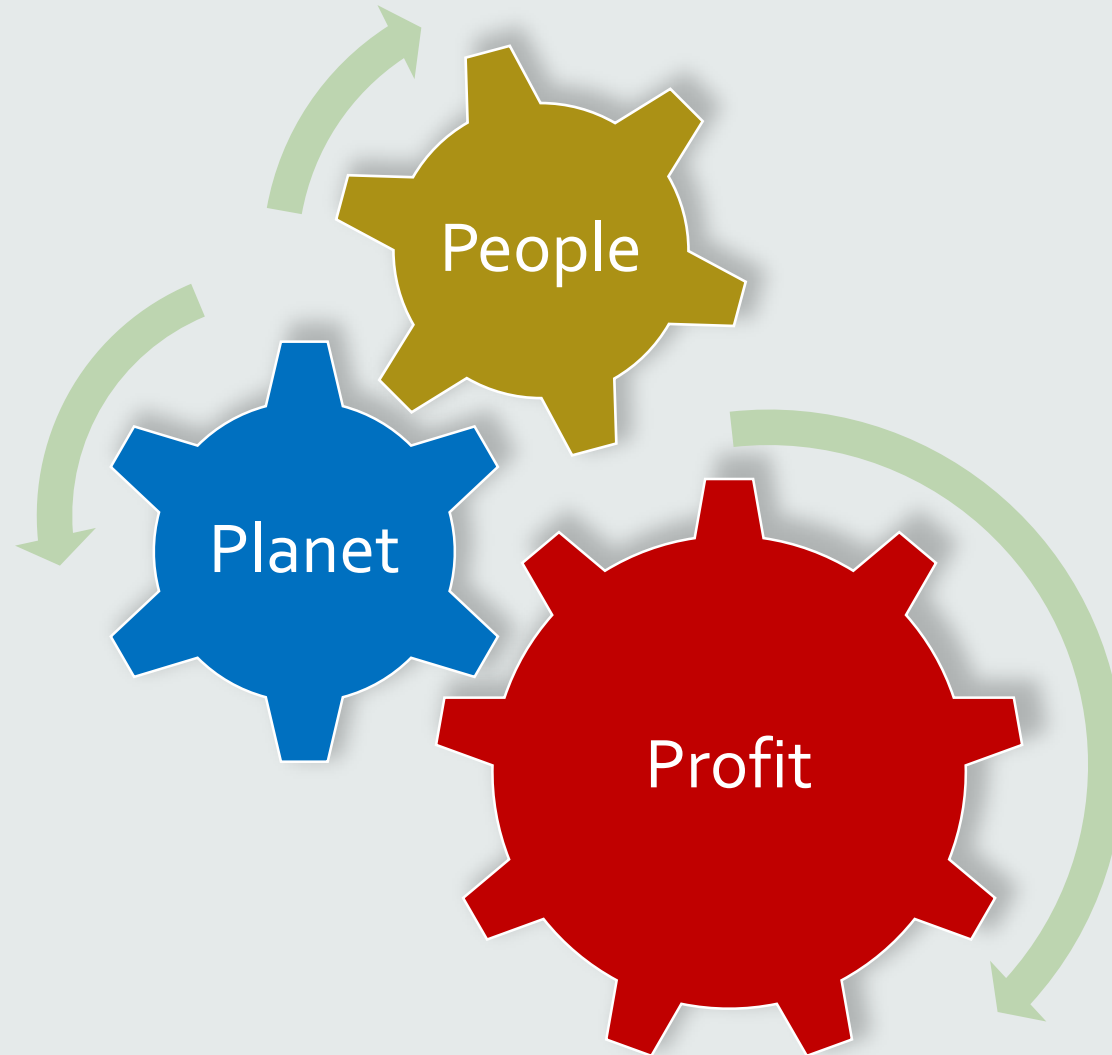
# Integrated reporting



*Adopted from IIA SIG*

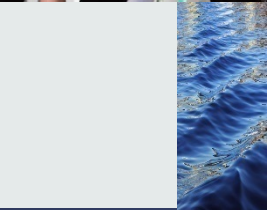
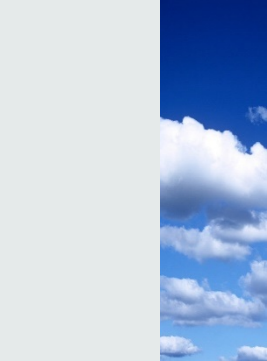


# Value creation for the 3 P's



# Need to understand

- Integrated reporting
- Integrated thinking
- Sustainability







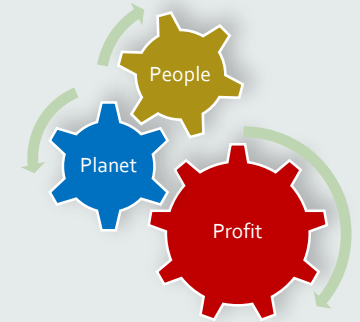
# Ah-ha moment

**What is sustainability really?**

*understand to fulfil IA mandate*

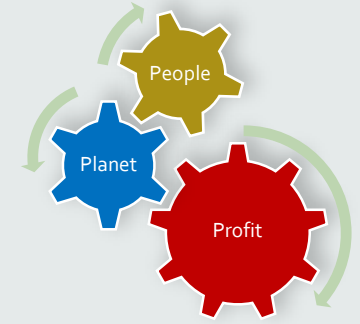
# Labour

- Staff numbers vs. Person hours worked
- Electricity consumption
  - Need to show consumption improvement
  - Business growth to be taken into account
  - **Electricity per Person Hours Worked**
- Training statistics
  - People most important asset
- Days lost to strike action
  - Number of employees striking
  - Employees unable to perform work



# Environmental data

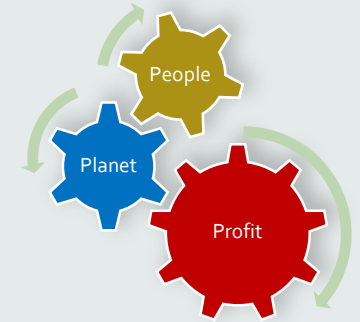
- Energy and water consumption, carbon emissions
  - Need proper comparatives i.e. man hours worked





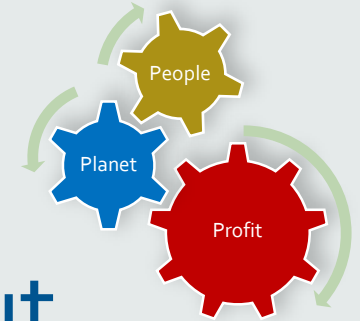
# CSI spend

- Not only a BEE requirement
- Benefit to community
- Need to report Return on Investment
  - How did company benefit?



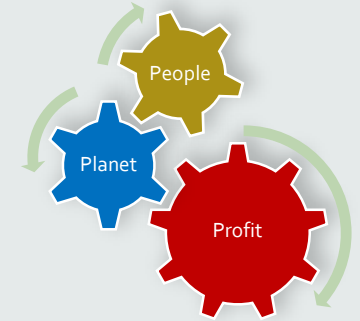
# Health and Safety

- People most important asset, loss of output, loss of skill
  - Number of fatalities
  - First Aid cases
  - Medical treatment cases
  - Reportable injuries



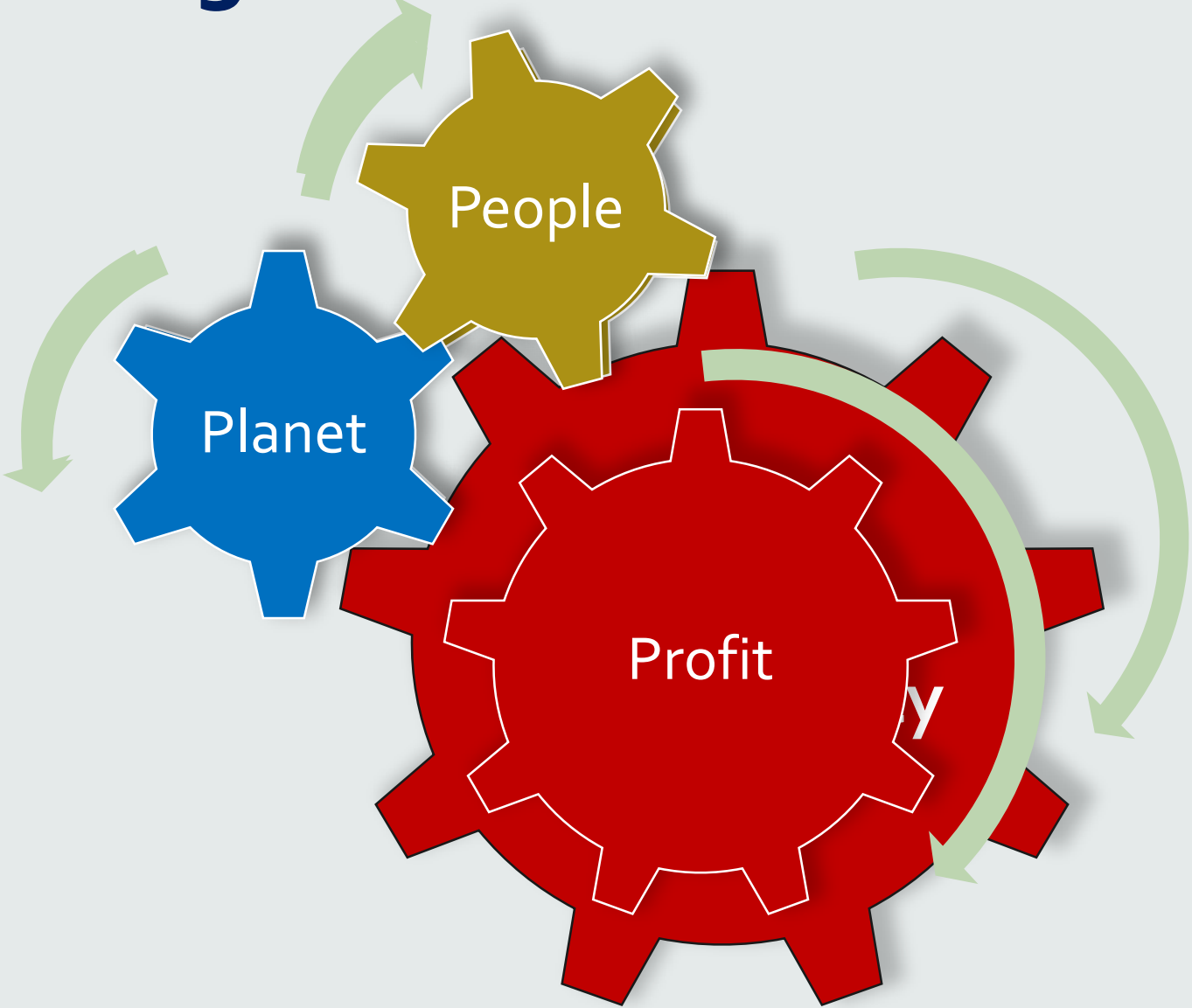
# Governance

- Risk registers
  - List key risks and how controlled
- Board composition
  - Skills
  - Age spread
  - Length of service
- External Audit non-audit fees
  - Independence

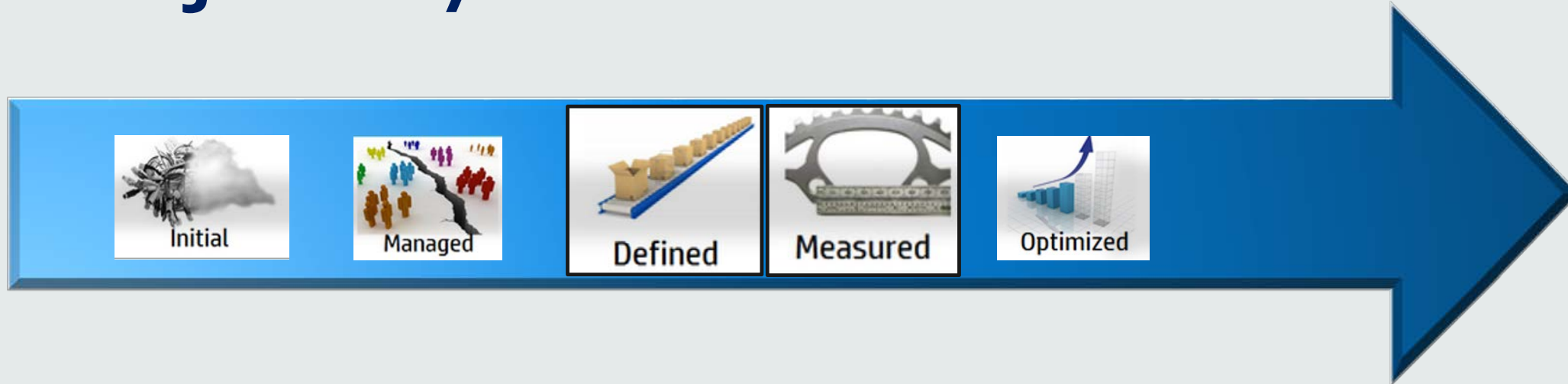




# New look at the 3 P's



# The journey



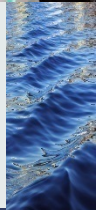
- Management and IA understand sustainability
- Strategy and forward looking view defined
- Effectiveness testing – data reliability
- Adequacy testing – processes
- CONSULT & ASSURE



# Audit objectives

- **Adequacy testing:**

- Strategic objectives → Governance → Setting KPA's → KPI's → Process of data collection → ongoing monitoring
- Audit standards apply
- Risk-based auditing
- Audit planning
- Combined assurance model



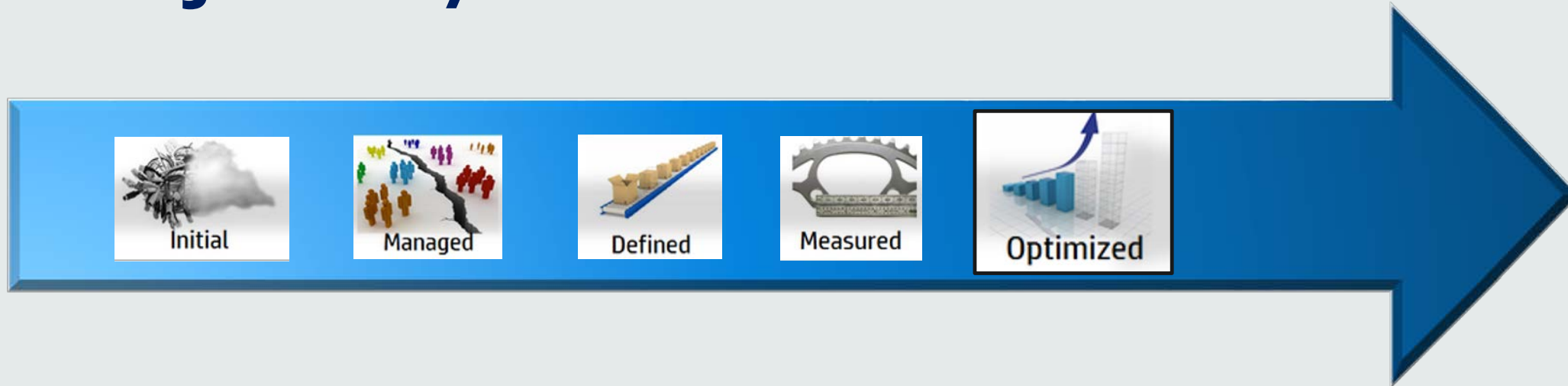


# Audit objectives

- **Effectiveness testing:**
  - Data reliability
- **Ongoing independence**



# The journey



- Mature process
- ASSURE



# Integrated reporting

A landscape photograph of rolling green hills under a bright blue sky. The sun is low on the horizon on the left, creating a strong sunburst effect with rays of light. The hills are covered in lush green grass and vegetation. The sky is a clear, vibrant blue with a few wispy clouds.

**Conclusion**

# Conclusion

Integrated  
thinking

Integrated  
effort

Integrated  
report

Insight

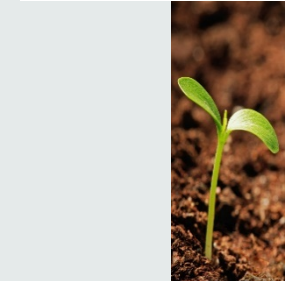
Advise

Assure



## **IA MISSION:**

*To enhance and protect organizational value by providing risk-based and objective **assurance, advice, and insight.***





# Conclusion

- Maturity of integrated reporting:
  - Consulting
    - Ah-ha moment
  - Assurance
    - Adequacy testing – Processes
    - Effectiveness testing –
      - Reliability of existing data
      - **Report on what is not there**
  - **Think out of the (tick)box**

