



1. **Best practices on non-financial and integrated reporting in the public sector in Finland | Tytti Yli-Viikari-Auditor General National Audit Office of Finland**

In Finland, they have started to identify information and important data, besides the financials, related to sustainability. The role of the public administration is linked to the United Nations Sustainability goals and it includes the need to adapt the resources (know how), the actions (legislation, framework...), the results (impact on the economy, society).

Integrated Reporting brings, in addition to the past, perspectives on future and shared value creation - how strategy, governance, results and future prospects create value in the short, medium and long term.

In practice, information provided in annual reports and sustainability reports is combined and improved.

When we define the data for integrated reporting, we should raise the following questions:

- What can be measured?
- What can be reported?
- What are the needs?

It is important to combine 2 effects:

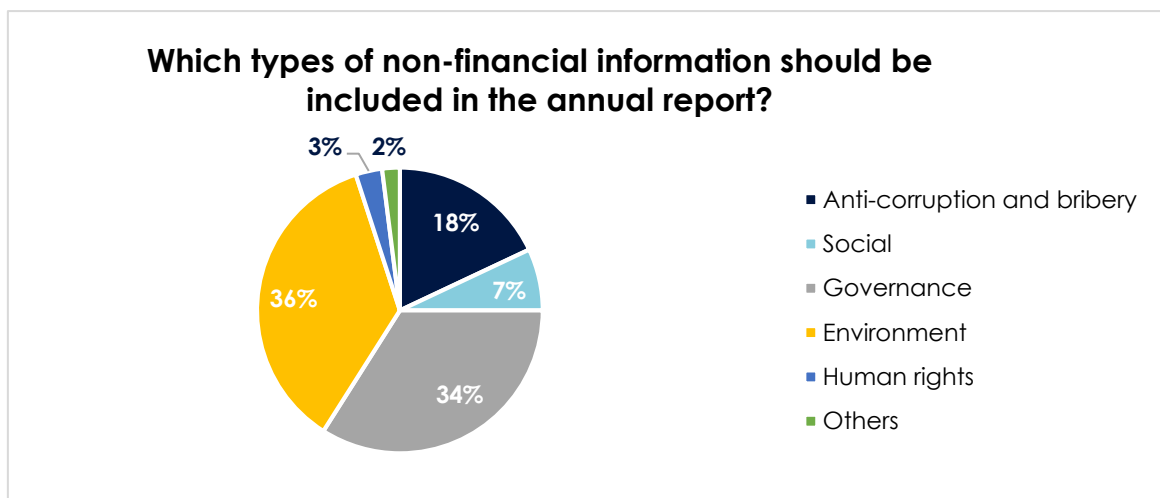
- Push effect: organisations report themselves and provide information to the stakeholders about their performance
- Pull effect: who are the users of the information ? What are the benefits of receiving the information?

However, high or reasonable level of assurance is difficult to obtain in the case of integrated reports because of:

- lack of audit regulations and standards
- lack of actor specific trait of integrated reports
- lack of key performance indicators (KPI's) for non-financial information
- high costs of audit, both in monetary unit and time
- issue of providing assurance for future oriented information

In conclusion, integrated reporting means the integration of financial and non financial information but it also means the integration of the different actors. The collaboration between all the actors active in sustainability is key.

2. **Best practices on non-financial and integrated reporting in the public sector: Internal audit role | Soledad Llamas, Chair EUROSAI-ECIIA Working Group, Internal audit & Risk Director Canal de Isabel II**



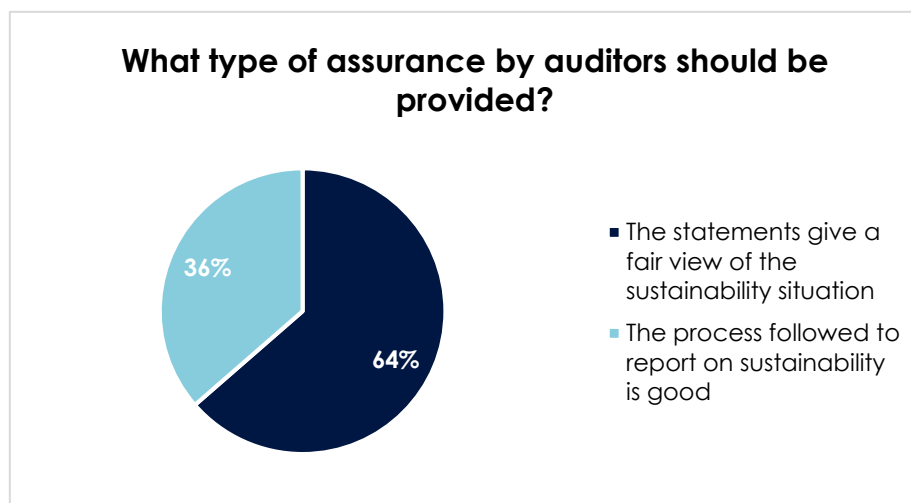
Internal audit can play a key role; position, acknowledge risks, business knowledge

Various roles based on the maturity

Consultancy role in the beginning, assurance role when it is more mature

We need to analyse the value creation chain to define the KPIs and to communicate them to the stakeholders.

IA promotes transparency, good governance and gives assurance to audit committees



3. Best practices on non-financial and integrated reporting in the public sector: role of External Auditors (including SAIs)- Martin Dees | Netherlands Court of Audit EUROSAI

We need to increase the role of External Auditors, given the importance and momentum of the development of the new non-financial reporting.

It is a new agenda for the external auditors and they have a key role to play:

- promote this new dimension of public sector accountability – which should be based/driven by recognized responsibility
- provide knowledge, experience: serve as sparring partners
- contribute to sensible reporting Standards
- develop audit methodologies, (include other disciplines where appropriate)
- provide assurance, disclose key audit matters

4. Building blocks for assurance in Audit Flanders-Mark Vandersmissen, General Manager at Audit Vlaanderen and Audit Committee Chair at RSVZ

The Flemish government has translated the SDGs into Flemish objectives for 2030

The Implementation is monitored by set of indicators: 53 goals and 111 indicators

There is a global report on Flemish level and an integration in Belgian reporting : we move from budget reporting to integrated reporting

The internal audit resources are limited and building blocks have been implemented for the assurance:

- Single audit
- Lot of actors in controls (internal and external): we align efforts, strategy, planning, methodology
- Strong Risk Management: Basis for coordination of efforts, benchmarking internal audit systematically audit the risk management and work with a maturity model
- Assurance mapping to define the responsibilities of each actor in the 3 lines. If we can rely on the first and second line (and in some cases third line) for the entity's own internal control, we can focus on the shared systems or overarching control systems

5. The value of non-financial reporting- Jan van Schalkwyk, Corporate Executive | Office Auditor General South Africa

Integrated reporting is important to fight against fraud and corruption: we can improve prevention with integrated reporting and if people understand and act.

Strong performance reporting is popular in the public sector in South Africa.

Auditing NFR in a constructive way is important and leading by examples is the way to go: make sure that the information is relevant.

A strong framework and consistency in reporting are important for credibility purposes.

NFR must be useful for the parliament, citizens and all stakeholders.

Accuracy and relevance of reporting are not easy: organization view vs citizen view eg. social audit

We need a story line to “sell” the integrated reporting: definition, causes, impact and we must link the financial aspects with compliance and other dimensions. We must also use integrated reporting to identify material irregularities, take remedial action

The impact on strategy is that we look at broader dimensions and specifically: audit adds value, visibility, viability, value based approach: 4 V.

The integrated report must be part of the DNA of the organization.

6. Conclusions M. Neate

- There is a huge demand for public accountability
- Integrated reporting can help: good governance, transparency, accountability
- Both Internal Audit and External Audit can help promote integrated reporting and provide assurance on the reporting process and on the data published. Auditors can be ambassadors, advisors and assurance providers ('Triple A' involvement)
- New skills will be needed: beyond the financial ones and we must start training the auditors asap