

## I / INTRODUCTION WHAT SHOULD BE REPORTED AND IN WHAT FORM?

With new technology, reports can be presented in new ways that create overview and context. But should reports be complete or segmented? And what should

they contain in order to give users optimal value? In this section **Stig Enevoldsen** talks about the CORE & MORE model, and **Paul Druckman** explains how inte-

grated reporting has gained momentum and affects reporting all over the world. Furthermore, you can read what **PensionDanmark** and **Carnegie Investment Bank**

want from future reporting. Finally **three preparers and three users** suggest how the content and presentation of reporting should look in the future.

### CORE & MORE:

# Digital, principle-based and experimenting

*One Internet-based report for all users.* This is the idea behind CORE & MORE – a realistic proposal from FEE on the form for future reporting. The corner stones are technology and targeted content, and they should provide a better overview and greater user-friendliness, explains Stig Enevoldsen.

Future reporting will be on the Internet - and not as it is today in a printed version and as a PDF for download. Instead it should be a web page designated for the task. First and foremost it should be a short and concise core report for everyone. For every section you can click away and obtain further information about what actually interests you - irrespective of whether you are an employee, a customer or an investor. Briefly, this is CORE & MORE, FEE's discussion paper on what future reporting could look like.

– Technology will change the way in which we report at a time when an increasing number of

people are gaining access to information. CORE & MORE gathers all relevant information on the company in one place, both in a structured summary and providing the opportunity to gain more insight into specific areas – as opposed to today where companies have different reports, but do not provide an overall presentation, says Stig Enevoldsen, who has been involved in preparing the paper for Fédération des Experts Comptables Européens (FEE).

#### Updates and quality control

CORE & MORE is exclusively a model of form – it does not dictate the content. Generally speaking, it is up to the company to see to that job.

– With CORE & MORE it is important to assess what is relevant to talk about. We need to have a committee with legislators, auditors and companies who can inspire the European Commission to decide on the general rules in this area. Rules in which there is considerable self-determination in relation to deciding what is relevant and crucial content in reporting. Ultimately, it is up to companies to assess what is relevant to their users and include it. We must test our ground and respond to user feedback, says Stig Enevoldsen

Technology is important here. With reporting online it is easy to trace what is read and

### LEGISLATORS SHOULD ALLOW EXPERIMENTS



Technological development provides many new opportunities which can improve, target and animate reporting, so different stakeholders can obtain relevant and material information. Legislators and standard setters should allow

the chance to experiment without making demands on double reporting. This will provide the opportunity to work with expectations for the future reporting and push progress forward. For example, this could be implemented via a joint European plat-

form which we as an association would like to support.

#### Create clear principles

The proposal from the European accountancy body, FEE on a CORE & MORE model emphasises the development within reporting and the

need for a platform to aid development. As we see it the CORE & MORE model is a good proposition on the form for reporting for large companies but the model lacks clear principles for content, assessment of materiality, comparability, reliability and updat-

what is ignored, just as it is possible to experiment with the way in which the content is presented. The IT company SAP is trying out reporting on the Internet whereby information is presented in an exciting and lively way and where there is an overview and opportunity to delve into details and download information in which you are interested. When reporting on a web page, it is also possible to update it continually.

– Today we have annual reports where you can read the names of those who are on the board of directors. After the annual general assembly changes have often been made, though this is not often updated before the next annual report. It is possible to make alterations immediately on the Internet. This also applies to financial figures. Nowadays it is possible for the company to make alterations from from day to day, and update certain information at suitable intervals when convenient, whereas other bits of information need to be in place for a longer period, says Stig Enevoldsen.

All data in the report must be reliable and information received must of course be validated.

– In principle, all information will have assurance. This includes information that is updated all the time. How this is done, is up to the auditors to decide, says Stig Enevoldsen.

#### **An invitation to experiment**

To implement CORE & MORE is a big ask. Amongst other things, companies will need to re-think their ways of reporting and involve IT departments. However, it also places demands on legislators who will have to allow for experiments.

– The framework of what reporting should contain ought to be principle-based. In that way, we do not need to bother with endless detail which only a few people read, as is the case today. To me CORE & MORE means shorter reports that contain financial and non-financial information. This concept has been tailored to the new era. It is probably not the final solution but a basis for discussion. The danger is that if reporting does not keep up with new developments, it will be overtaken by other types of information which will be less reliable, and which will give companies less control of the information that users base their decisions on, emphasises Stig Enevoldsen. •

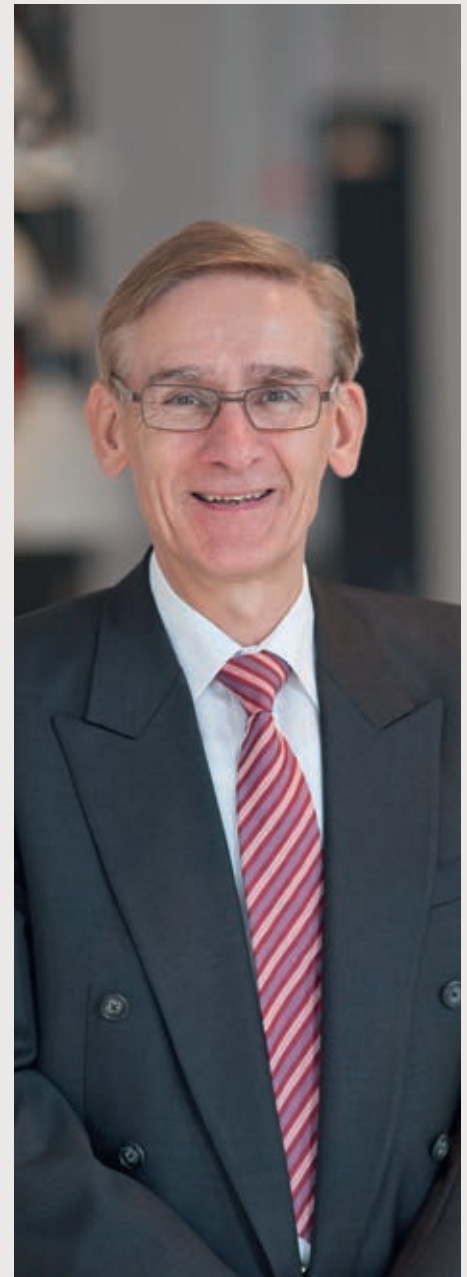


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**Stig Enevoldsen**

vice-chairman, Fédération des Experts Comptables Européens Corporate Reporting Policy Group

**Stig Enevoldsen** is vice-chairman at Fédération des Experts Comptables Européens (FEE) Corporate Reporting Policy Group and was the chairman for the team that was in charge of preparing the paper on CORE & MORE issued by FEE in the Cogito-series 'The Future of Corporate reporting – creating the dynamics for change'. He is also a member of the Accounting Standards Committee at FSR – Danish Auditors as well as EFRAG Board (European Financial Reporting Advisory Group).



ing etc. Development of these ought to be in close collaboration with companies, auditors and users of the companies' reporting while trials are being carried out with the model in practice. Principles for content must cover the financial and the non-financial

as and they should not be treated as separately as is the case today.

#### **Companies should assess materiality**

Judging from the companies which we have spoken to, there are representatives in favour of both integrated and seg-

mented reporting and both can be contained by a model such as CORE & MORE. For some the content in CORE equals the content of an integrated report. This is how the IIRC views the model and since the IIRC does not specifically relate to form the two can

be perceived as supplementary. However, the essential thing is not the model itself, but that the companies should have freedom to choose and decide how and what is relevant and material to report on. This should be done within a common set of principles which

provide a frame of reference to work from - both as reporting entity, as auditor in the validation of information and as user. The assessment should of course be aligned with the company's stakeholder dialogue and feedback from users of reporting. •