

Auditors' perceptions of integrated reporting assurance: insights from Italy

Integrated
reporting
assurance

Barbara Borgato and Pier Luigi Marchini
*Dipartimento di Scienze Economiche e Aziendali,
Università degli Studi di Parma, Parma, Italy*

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Abstract

Purpose – The purpose of this paper is to explore the practice of integrated reporting (IR) assurance from the auditors' point of view, including the main challenges to be addressed and insights on evolution and potential new assurance approaches.

Design/methodology/approach – Based on an exploratory research design, the paper conducted semi-structured interviews with 10 expert auditors, accounting assurance providers and non-accounting assurance providers, in the Italian context, combining an open coding approach with an axial coding approach, and using a three-stage process to organize data.

Findings – Respondents confirmed that current IR practices do not represent a real paradigm shift and that the need for in-depth changes in the assurance approach will depend on how these practices evolve. The main challenges highlighted are the absence of suitable criteria, the difficulty of assuring narratives and future-oriented information, and the low level of maturity of internal systems and processes of companies and stakeholders. Proposals for overcoming these challenges are framed mainly within current assurance models, although some respondents pointed out the need for a shift towards new assurance approaches.

Research limitations/implications – The paper relies on a small sample of well-informed subjects active in Italy; thus, the results may not represent the views of all auditors.

Practical implications – The findings identify areas that practitioners and assurance provider firms should focus on, looking to IR assurance and its growing importance and application as a future business area. They may be useful to standard setters and regulators to better understand limits and opportunities of requiring IR assurance on specific information not strictly related to financial information, and for the development of guidance or standards for IR assurance.

Originality/value – This research contributes to the currently underexplored area of IR assurance. Relatively few studies have investigated this topic from an empirical point of view, and no study involving auditors has been carried out in the Italian context.

Keywords Assurance, Integrated reporting, IIRC (International Integrated Reporting Council), Auditors, Challenges, New approaches

Paper type Research paper

1. Introduction

Recent financial crises and scandals involving various companies have highlighted the inadequacy of the traditional corporate reporting system and made more urgent the need for



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greater breadth, transparency and credibility in the information provided by companies (Briem and Wald, 2018; Goicoechea *et al.*, 2019). The reporting paradigm of Integrated Reporting (IR) is intended to meet the changing information needs of stakeholders by overcoming the shortcomings of traditional corporate reporting, which include a predominantly backward approach, a primary focus on the financial dimension, complexity, staticity and disconnection (Jensen and Berg, 2012; Ioana and Adriana, 2014; Zhou *et al.*, 2017). On the basis of the IR Framework (IRF) drawn up by the International Integrated Reporting Council (IIRC) (IIRC, 2013), IR has steadily spread (Engelbrecht *et al.*, 2018) and increasing numbers of companies now refer to their reports as “integrated” (KPMG, 2017). In some cases, these reports have become the primary means by which companies communicate with stakeholders (Maroun, 2018).

This growing adoption of IR has strengthened the need to investigate the issue of information reliability, and made IR assurance an issue of growing concern (Adams, 2015; Ruiz-Lozano and Tirado-Valencia, 2016). External and independent assurance is one of the mechanisms for improving the reliability of information, alongside mechanisms such as robust internal control and reporting systems, stakeholder engagement, internal audit (Engelbrecht *et al.*, 2018) and similar functions (IIRC, 2013). However, the characteristics of IR increase the complexity of assurance and raise questions about the adequacy of current assurance models and the need to develop new approaches (PwC, 2014; Maroun and Atkins, 2015; Simnett and Huggins, 2015). A wide range of research opportunities have been identified in the literature (Cheng *et al.*, 2014; De Villiers *et al.*, 2014; Adams, 2015; Cohen and Simnett, 2015; Simnett and Huggins, 2015). Moreover, the IIRC (IIRC, 2014a, 2014b, 2015), and the International Auditing and Assurance Standards Board (IAASB) (IAASB, 2015) have called for informed views on the issue, and the IIRC’s 2014 – 2015 consultation process confirmed the importance of achieving at least some form of IR assurance.

This research contributes to the recent debate on IR assurance by exploring the views of a group of expert auditors, accounting assurance providers and non-accounting assurance providers, through semi-structured interviews. Moreover, this study is the first to examine this issue in the context of Italy. Under Legislative Decree 254/16, which transposed European Directive 2014/95, non-financial reporting (NFR) is mandatory in Europe from 2018 onwards (La Torre *et al.*, 2020), and therefore in Italy for certain companies for financial years starting on or after 1 January 2017 (Tarquinio and Posadas, 2020; Doni *et al.*, 2019). Unlike most other EU countries, the Italian regulation also makes assurance mandatory. In this regard, considering that IR includes non-financial information, the experience in assuring NFR in the Italian context may have implications for the debate on IR assurance in the international arena, and provide insights for overcoming critical challenges and developing new assurance approaches.

By adding to the limited body of literature on this topic, this study also answers the call for in-depth analyses of IR assurance practices and the role of auditors (Cheng *et al.*, 2014; Simnett and Huggins, 2015; Conradie and De Jongh, 2018). This paper also provides insights for regulators and standard setters for implementing IR assurance, and offers a practical response to requests from the IIRC and IAASB for informed views on IR assurance (IIRC, 2014a, 2014b, 2015; IAASB, 2015). For practitioners, this research highlights the importance of IR assurance as a future business area and identifies aspects that assurance provider firms should focus on and invest in.

The remainder of this paper is structured as follows. Section 2 provides a review of the literature under two headings. First, recent studies on IR are reviewed with a particular

focus on the issues that may impact IR assurance; second, studies specifically focused on IR assurance are summarized. In Section 3, the methodology adopted for the research is described. In Section 4, the results are illustrated and discussed. Finally, Section 5 presents the conclusions of the study, as well as its limitations and suggestions for future research.

2. Literature review

2.1 Integrated reporting

The concept of IR goes beyond the publication of a single report comprising both financial and non-financial information and combines financial statements with other information usually contained in sustainability reports (Jensen and Berg, 2012; Churet and Eccles, 2014; Maroun and Atkins, 2015). IR should provide a more comprehensive view of the company from the perspective of value creation, including information on strategy, business model, risks and opportunities and related links, and foster an understanding of the interconnections between financial and non-financial dimensions (Brown and Dillard, 2014; Cheng *et al.*, 2014; Simnett and Huggins, 2015).

A number of studies have investigated IR from different viewpoints. In the light of this, a number of aspects of the effective implementation of IR remain controversial, including its central purpose (Stacchezzini *et al.*, 2016; McNally *et al.*, 2017; Conradie and De Jongh, 2018; Kılıç and Kuzey, 2018; Pistoni *et al.*, 2018).

Critical issues with regard to the application of IR Principles have been identified, most notably materiality and conciseness (Ruiz-Lozano and Tirado-Valencia, 2016; Lai *et al.*, 2017; Melloni *et al.*, 2017). These issues prevent companies from fully understanding the value of this tool (Perego *et al.*, 2016) and from providing relevant information to stakeholders (Rupley *et al.*, 2017; Naynar *et al.*, 2018), primarily due to a lack of adequate guidance and high preparation costs (Chaidali and Jones, 2017).

The various unresolved issues raise important questions about the credibility of IR and its usefulness in the decision-making process, especially with regard to financial stakeholders (Slack and Tsalavoutas, 2018). In this context, external assurance mechanisms could help improve the quality and reliability of the information disclosed (IIRC, 2014a, 2014b, 2015; IAASB, 2015).

2.2 Integrated reporting assurance

Despite various calls for research in the field, recently made by Briem and Wald (2018) and Maroun (2018), among others, there are few studies in existence. From a theoretical and empirical point of view, many critical issues need to be addressed to achieve mature assurance practices (Cheng *et al.*, 2014; Dumay *et al.*, 2016; Maroun, 2017). In particular, two main issues requiring analysis can be identified in the extant literature: challenges in assuring IR and related issues, particularly with respect to the actors involved, and the possible evolution of IR assurance approaches. The development of IR can in turn be discussed in two ways; within the framework of current assurance models or alternatively in relation to new models aimed at capturing its specificity. Below, the prior literature on these aspects is reviewed, then empirical studies on IR assurance are briefly described.

2.2.1 Challenges in assuring integrated reporting. Some authors have investigated IR assurance from a theoretical perspective, highlighting the challenges that are particularly significant (Cheng *et al.*, 2014; Maroun and Atkins, 2015; Oprisor, 2015) and outlining future research opportunities. According to Eccles *et al.* (2012), a basic issue is the lack of an apparent consensus on the concept of “true and fair” IR.

The IIRC has deemed various issues high-level challenges for IR assurance (IIRC, 2014a, 2014b). The first issue is reporting and assurance standards.

An important question is whether the current version of the IRF provides suitable criteria for assurance (Cheng *et al.*, 2014; Huggins *et al.*, 2015) or whether it needs to evolve (De Villiers *et al.*, 2014). Related to this question is that very little guidance is provided on how to carry out engagements regarding combined financial and non-financial information (Cohen and Simnett, 2015).

Second, the subject matter of assurance needs to be identified, and the feasibility of conducting assurance of the information contained in IR without also carrying out an assurance of the underlying process needs to be determined (Eccles *et al.*, 2012; Cheng *et al.*, 2014). Given the content of IR, other critical topics include the way in which certain information, particularly forward-looking and narrative-style information, can be assured (Cohen and Simnett, 2015; Huggins *et al.*, 2015; Simnett and Huggins, 2015; Simnett *et al.*, 2016). For investors, the assurance of the disclosure of risks, policies adopted by the organization, assumptions underlying the scenarios and the reasonableness of the estimates presented are particularly important (WBCSD and PwC, 2018). Some research has also highlighted challenges in the assurance of IR Principles and underlined the need for specific guidance, particularly with respect to materiality, connectivity, reliability and completeness, and connectivity (Cheng *et al.*, 2014; Huggins *et al.*, 2015; Simnett and Huggins, 2015; Burke and Clark, 2016; Simnett *et al.*, 2016). Other critical aspects related to IR assurance that must be addressed include the level of maturity and real integration of the processes underlying IR by companies (De Villiers *et al.*, 2014) and the liability, skills and composition of the assurance team (Huggins *et al.*, 2015; Simnett and Huggins, 2015).

2.2.2 The evolution of assurance approaches. The challenges of IR assurance outlined above concern the elements that differentiate IR from other types of disclosures by companies. Questions about the appropriateness of traditional assurance models for IR have in fact been raised, highlighting the need to think about new approaches (Simnett and Huggins, 2015; Maroun, 2017, 2018, 2020). As noted by PwC (2014, p. 1), “today’s broader assurance model is not always an easy fit with corporate reporting, which is transitioning to a model that is broader, more forward-looking and more integrated”. Maroun (2017, 2018), among others, proposed different assurance models and identified the elements of an interpretive assurance model. This model is based on audit principles for strategic systems and existing risk-based audit models, and is considered more effective in evaluating the analysis or interpretation process adopted by management in preparing IR.

Some studies have discussed the possibility of an evolution of the assurance report, particularly in terms of producing an integrated assurance instead of the current separate assurance (Eccles *et al.*, 2012). An integrated assurance should not be simply an assurance report in which financial and non-financial aspects are considered together, but should be considered as an assurance of IR that encompasses important Principles of the IRF, such as conciseness and connectivity (Eccles *et al.*, 2012; Simnett and Huggins, 2015). Finally, other studies have raised questions about the level of IR assurance that can be provided (Huggins *et al.*, 2015; Simnett and Huggins, 2015).

2.2.3 Empirical evidence on integrated reporting assurance. A number of calls for empirical research on IR assurance to analyse practices and provide insights on challenges and new approaches have been made (Cohen and Simnett, 2015; Maroun, 2020). Empirical studies thus far have reached a convergence of views on the importance of IR assurance and the difficulties of overcoming technical challenges, but there are different perceptions and opinions on how to face critical aspects and the possibility or opportunity of achieving integrated assurance.

Most empirical studies indicate that the challenges in assuring IR arise from the lack of suitable criteria and assurance standards (Maroun and Atkins, 2015; Burke and Clark, 2016; Maroun, 2017; Briem and Wald, 2018; Corrado *et al.*, 2019; Goicoechea *et al.*, 2019).

Some research has provided insights on the need to rethink the way in which IR assurance should be performed (Maroun and Atkins, 2015; Maroun, 2017, 2018; Corrado *et al.*, 2019), especially whether the assurance should be provided on the entire content of IR and whether a targeted level of assurance is reasonable (Goicoechea *et al.*, 2019).

Extant empirical studies have mainly been carried out within national contexts and include investigations from the viewpoints of auditors, companies that produce IR, academics and users of reports. These studies vary in focus and reflect differences in the degree of maturity of the implementation of IR in the specific context of the research. In the South African context, studies have specifically aimed at proposing new approaches for IR assurance. The IR journey in South Africa began in 1994 with the publication of the first King Code of Corporate Governance Principles, known as “King I” (Dumay *et al.*, 2016), and in 2010, the Johannesburg Stock Exchange (JSE) required listed companies to publish IR on an “apply or explain basis”, making South Africa the first country in the world to mandate this disclosure for listed companies.

Studies in contexts in which the adoption and spread of IR is a more recent phenomenon than in South Africa, whether European (Briem and Wald, 2018; Goicoechea *et al.*, 2019), non-European (Corrado *et al.*, 2019) or international (Burke and Clark, 2016), have mainly focused on issues reflecting this recent adoption. In particular, although there have been some insights in terms of the need for evolution of approaches, the challenges in assuring IR have specifically been explored, together with other aspects, such as the role and the importance of IR assurance (Corrado *et al.*, 2019; Goicoechea *et al.*, 2019) and the role of auditors. The company’s motivations for voluntary assurance of IR are found to be linked to coercive pressures from stakeholders, together with the willingness to improve credibility and reliability (Briem and Wald, 2018).

Table 1 summarizes the main characteristics of empirical studies on IR assurance.

Based on this review of the recent literature, the present study answers calls for in-depth analyses on IR assurance to be developed in different countries and, in particular, IR assurance practices and the roles of auditors (Cheng, *et al.*, 2014; Simnett and Huggins, 2015; Conradie and De Jongh, 2018). Italy is selected as the research context, as IR is spreading in this country and both NFR and its assurance are mandatory for certain companies. There is

Research	Objects involved	Geographic context	Methodology
Maroun and Atkins (2015)	18 senior members of auditing community	South Africa	In-depth, semi-structured interviews
Maroun (2017)	20 audit experts and 20 preparers	South Africa	Detailed interviews
Maroun (2018)	20 audit experts and 17 preparers	South Africa	Detailed interviews
Burke and Clark (2016)	panel of 19 subjects (practitioners, regulators and academics)	International	Unstructured panel interviews
Briem and Wald (2018)	7 auditors and 18 representatives of companies	Germany	In-depth interviews
Corrado <i>et al.</i> (2019)	3 practitioners, 3 academics and 2 report users	Australia	Semi-structured interviews
Goicoechea <i>et al.</i> (2019)	103 auditors and 109 users	Spain	Anonymous online survey

Table 1.
Empirical studies on
IR assurance

thus an increasing amount of experience in Italy in terms of corporate reporting systems which do not focus mainly on financial dimensions.

Building on the topics related to IR assurance identified in the literature and the findings of previous empirical studies, this research aims to identify the main challenges and critical elements of IR assurance from the viewpoint of auditors, in this case, accounting assurance providers and non-accounting assurance providers. Considering these critical elements, this study addresses the adequacy of the traditional assurance approach by gathering both the views and insights of auditors on the need for new approaches. In contrast to previous studies in similar geographical contexts, this research adopts a broad perspective to investigate and link new approaches to put forward possible insights facilitating some form of IR assurance.

In particular, this study seeks to answer the following research questions:

RQ1. What are the main challenges and critical elements of the IR assurance?

The aim of this RQ is to collect auditors' views on the main trends of IR practices, as well as on the main challenges and critical elements that has to be addressed when approaching the IR assurance, with specific reference to the existing rules and to the IR assurance context.

RQ2. What could be the future of the IR assurance?

The aim of this RQ is to gather auditors' views on the evolution of IR assurance, as well as on possible solutions to challenges and about potential new approaches to IR assurance.

3. Data and method

The analysis is based on an exploratory approach (O'Dwyer *et al.*, 2011) which is based on the following aspects. Although the topic of IR appears to be a mature area of research, the practices adopted by companies remain heterogeneous. This heterogeneity affects assurance activity, making the assessment of current relevance of critical elements more discrete and above all strengthening the need for a more or less profound change in the approach to assurance. In light of this, the purpose of this research is to gather viewpoints and obtain insights, primarily from an evolutionary perspective, on an issue that is as yet not clearly defined, considering the particular context of Italy and the need for empirical study on the topic noted above (Simnett and Huggins, 2015; Maroun, 2017 and 2018). In answering the research questions outlined above, a qualitative approach based on semi-structured interviews is used to explore auditors' points of view on the topic.

3.1 Selection of respondents

As in other studies (Maroun, 2017, 2018; Briem and Wald, 2018; Segal, 2019), purposeful selection of respondents was conducted. The 10 respondents were specifically identified from among all providers that assured NFI in disclosures named IR issued by Italian companies included in the IIRC Database (as of 11 February 2019). Of the 23 IRs issued by Italian companies in the IIRC Database, 16 contained an assurance, and of these, 14 were carried out by one of the Big Four, which dominate the market in Italy, as in other countries, which provided both the audit for the financial report and assurance of the NFR required by the Legislative Decree 254/16 (which transposed European Directive 2014/95), inside the IR. The remaining IR assurances were performed by a single auditor (professor of accounting and business administration) and a non-Big Four assurance company, a non-accounting firm operating in the area of risk management and quality assurance. For each of the Big Four, 2 respondents were interviewed: one belonging to the audit/accounting area and

one to the NFI assurance area, with more than 10 years of experience each in the related fields, and at least 2 years of experience in the specific IR assurance process.

The single auditor and one independent assurance expert from the non-Big Four assurance company were also interviewed. The respondent selection thus considered all entities that provided assurance for IR in Italy (as of 11 February 2019). At the same time, including the views and perspectives of a non-accounting assurance provider offers additional and diverse insights into the evolution of this new form of assurance, which is currently being contested by accounting and non-accounting assurance providers.

The respondents were identified by the authors thanks to collaboration between the university and each Big Four audit company, and through direct contact with non-Big Four auditors.

Although not all parties involved in the assurance process were considered, the evidence collected is based on the views of a well-informed group of “auditors”, thus ensuring the quality and representativeness of the results (Creswell, 2009; Maroun, 2017).

3.2 Data collection

The interviews were conducted from March to December 2019, lasted between 1 and 2 hours, and were digitally recorded with the approval of the respondents. Seven interviews were conducted in person and three were conducted by phone (Farooq and De Villiers, 2017; Briem and Wald, 2018; Toy *et al.*, 2019). The interviews were carried out in Italian. Each interview was immediately transcribed, and notes were taken during transcription to capture particular aspects (Patton, 2002). After the first interview, each respondent was sent a draft of the overall findings, and further consultations followed. The transcripts of the specific words spoken by the respondent and the summaries of the findings were provided to each respondent in English to validate the fairness of the statements after translation. Any comments and feedback were taken into account.

Before the interviews, the purpose of the research and the requirements were explained to the potential respondents, and the authors contacted the potential participants by e-mail to verify their actual availability. The participants also received an outline of the interview and were informed that the results would be processed anonymously (Segal, 2019).

At the beginning of each interview, the content and purpose of the research were again explained to the respondents, and it was emphasized that the interviews were being carried out for academic purposes (Maroun, 2017). The interviews were semi-structured, and the outline given to the participants was a useful guide for the discussion. Each interview began with a general question regarding point of view on IR and IR assurance, and the respondents were able to express their own opinions without interruption. The sequence in which the issues were discussed varied from interview to interview, but the authors ensured that all issues related to the research questions were addressed by each respondent. In addition, to prevent any possible misunderstandings, in some cases the respondents were asked to provide examples or describe concepts in different words (Alvesson, 2003).

3.3 Data analysis

The data analysis was driven by the cognitive aims of the interview formalized in the research questions, and a standard procedure of qualitative content analysis was adopted. The data analysis was inspired by a grounded approach (Corbin and Strauss, 1990, Strauss and Corbin, 1998) and involved multiple stages of data collection and the refinement and interrelationship of categories of information. In particular, an open coding approach was combined with an axial coding approach (Mayring, 2014) using a three-stage process to

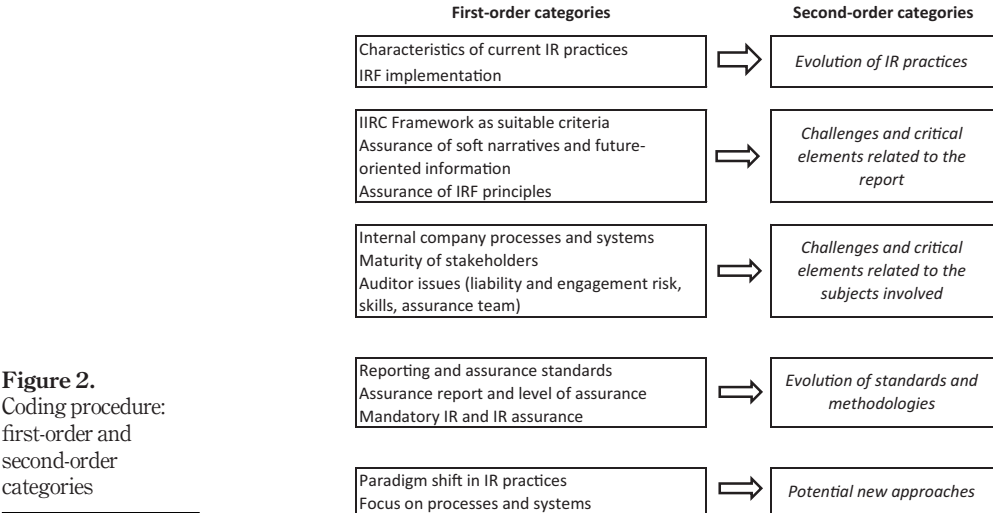
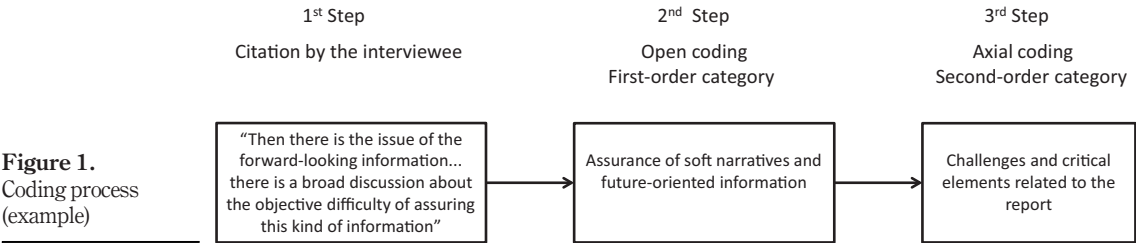
reduce the amount of information obtained, present the data and draw conclusions (Creswell, 2009; O'Dwyer *et al.*, 2011; Maroun, 2018; Toy *et al.*, 2019).

After transcribing the interviews, the phases of review and analysis of the answers began. The content of the interviews was open coded and read several times, and the first-order categories were defined following the research aims. Subsequently, the relations between open codes (axial coding procedure) were identified to define second-order categories, which were then linked to the research questions (Briem and Wald, 2018).

Figure 1 shows an example of the coding procedure starting from a quote from an interview. Based on the first-order code, the quote was assigned to the category “Assurance of soft narratives and future-oriented information”. Subsequent axial coding assigned the first-order category to the second-order category “Challenges and critical elements related to the report”, which is related to *RQ1*.

Figure 2 summarizes the first- and second-order categories.

The open and axial coding processes themselves present elements of subjectivity. For this reason, coding was carried out autonomously by one of the authors and reviewed by the other author to obtain a shared representation.



4. Results

Two key themes emerged from the analysis of the data: the auditors' views on the future trends of IR practices and the main challenges and critical elements to be addressed in IR assurance, and the auditors' views on the evolution of IR assurance and potential new approaches.

4.1 Auditors' views on the future trends of integrated reporting practices and on the main challenges and critical elements to be addressed in integrated reporting assurance

On this issue, two sub-themes arose. The first concerns the IRF, in particular, certain content elements and principles; the second concerns the parties involved (companies, assurance service providers and stakeholders).

4.1.1 Integrated reporting practices and the integrated reporting framework as suitable criteria for assurance. An important theme emerging from the research was the possible future trends of IR practices adopted by companies. As noted in the literature reviewed above, the path towards IR is only at its beginning, and many challenges in the implementation of the IRF remain (Cheng *et al.*, 2014; Maroun and Atkins, 2015; Burke and Clark, 2016; McNally *et al.*, 2017; Conradie and De Jongh, 2018; Kılıç and Kuzey, 2018). The evidence gathered in this research confirms that so far practice reflects only partial application of the IRF and that the necessary paradigm shift has not as yet emerged.

Respondents especially highlighted issues with regard to the concept of IR:

In my opinion the most important topic is the clear understanding of what we mean by IR. I do not think, considering the aim of IIRC, that it is simply a juxtaposition of financial and non-financial elements. [...] I see the risk of the diffusion of a weakened IR, which takes some elements of the IRF, but which overlooks integrated thinking. There is a need to be clear about this. I'm thinking about a very concise and very strategic document. (A7)

The future of IR and its possible future trend is a key theme, and the related issue of assurance cannot be analysed separately. If IR practices do not evolve towards a more rigorous application of the IRF, which truly implements and reflects a paradigm shift, the differences between IR and other forms of corporate reporting (particularly NFR) will remain less substantial. Consequently, the need to develop new assurance approaches could be less critical, as it could be maintained closed to an assurance of NFR, without radical changes. In this regard, in analysing the main challenges and new approaches to IR assurance, some aspects noted by the respondents are more closely linked to the IR practices adopted by companies than to assurance itself.

The key themes specifically linked to the research questions should be interpreted from this perspective, in other words taking into account that it is not clear whether and how IR issued by organizations will really evolve towards a different reporting paradigm.

A related issue is whether the IRF contains or not suitable criteria for the assurance of IR. All respondents highlighted the absence of suitable criteria to evaluate the underlying subject matter, consistent with the literature (Cohen and Simnett, 2015; Maroun and Atkins, 2015; Maroun, 2017, 2018). This is considered a first critical issue: the current version of IRF is not assurable, and the assurer "cannot act with the principles or with the assurance technique on something undefined or not well defined" (A4).

Nowhere [in IRF] is it written "how to describe a Business Model", "how to measure performance". The Framework itself cannot be assured. [...] and to say: "the summary [of the document] corresponds to that of the Framework" is not so much an assurance, it is a kind of a "tissue paper". (A5)

This finding fits with the current view of assurance as an activity carried out in terms of “gap analysis” with regard to a standard. However, as will be highlighted below, from the perspective of new assurance approaches, this aspect could become less problematic, and full standardization in applying IRF principles may in fact prove unnecessary. This is discussed in detail in Section 4.2.1.

4.1.2 Assurance of soft narratives and future-oriented information. In terms of IR content, the respondents cited certain types of information as particularly critical for assurance. In the current situation, it is possible to assure “those parts of the reports that include only factual disclosures with little or no evaluation by management” (Maroun and Atkins, 2015, p. 5). Difficulties were highlighted in assuring soft narratives and future-oriented information, confirming the findings of previous empirical studies (Maroun and Atkins, 2015; Corrado *et al.*, 2019; Goicoechea *et al.*, 2019).

Many respondents believed that the difficulty of assuring these types of information has no solution and that a shift of the focus of assurance is required. That is, in some cases, assurance should be linked to underlying elements, commitments or processes (Maroun, 2018) to assess the reasonableness of the information.

The forward-looking information is certainly useful, but in my opinion it is very unlikely that one day this will be assured [...] that is, no one can assure the future. It will be possible to assure the underlying elements, where there is a representation of what was accomplished in order to achieve a goal. If the company states: “We will reduce CO2 emissions next year, because this investment has been made”, as an auditor, I can see the plan, I can verify that it is allocated. Many sections of IR are of aspirational nature; I see it as quite complex. It is very difficult for a company to have solid and verifiable underlying elements for certain information. In the case of a managerial judgement, making an assurance is always complex; the managerial judgement is not always assurable. (A1)

Moreover, a difference was noted between the assurance of qualitative or quantitative forward-looking information:

The “game” is completely different. Doing an exercise of assuring future-oriented information in qualitative terms is one thing, doing it in quantitative terms is quite another. It means analysing a planning and control process. [...] I have to understand what kind of assessment has been carried out and whether those objectives are, above all, reasonable. And so I move on to a subject that is no longer reporting but planning. And it’s objectively another story, it’s just another story [...]. (A9)

The forward-looking perspective should be a characteristic of IR, as stated by the IRF Guiding Principle “Strategic focus and future orientation”. Some empirical studies have however found that companies are reluctant to provide forward-looking information (Stacchezzini *et al.*, 2016; Kılıç and Kuzey, 2018; Pistoni *et al.*, 2018), even where stakeholders request it (PwC, 2016; WBCSD and PwC, 2018). But if the requests of stakeholders in fact lead companies to provide more future-oriented information, this could impact assurance and make necessary a different approach that goes beyond the current assurance model.

A closely related issue is the level of sensitivity of future-oriented information and therefore the possibility that the company will choose not to disclose certain information. In this regard, the role of the assurer may become more difficult:

How can I face the fact that the company does not want to give certain information in the report because it considers it “too” strategic? I can accept that the company does not disclose specific information because it is sensitive; but what happens if the company does not want to give information and then the assurer “can” or “must” accept a lack of information that could eventually empty the content of IR? If there was clear guidance on what information to give and what information the company cannot give, it would really be very useful. (A10)

The IRF provides for the possibility of not disclosing specific information that might cause a significant loss of competitive advantage for the company, but from an assurance point of view, the issue of how to identify this information is not easy to resolve.

4.1.3 Assurance of the integrated reporting framework principles. Among the IRF principles, the auditors highlighted materiality; reliability and completeness; and connectivity of information (Cheng *et al.*, 2014; Maroun, 2017). They noted that, before the issue of assurance is dealt with, the application of these principles needs to be improved by companies (Ruiz-Lozano and Tirado-Valencia, 2016). Moreover, the lack of adequate guidance in the current version of the IRF increases the complexity of such improvements.

With respect to the materiality principle, some respondents in fact believed that it is not a critical aspect of assurance. They pointed out the substantial difference between IR and other corporate reports, given that a plurality of interconnected aspects and qualitative elements affect the identification of material issues in an IR context (Simnett and Huggins, 2015):

I do not see specific problems when it is clear that materiality has an object, a field of action, a universe of issues wider than what we normally consider in NFR and that may not be totally overlapping. When I consider corporate strategy, I may have issues that are linked to markets, business, [...] that “crush” issues more linked to sustainability. I expect that in an IR materiality analysis, there may be situations in which some aspects of sustainability are re-focused. However, these are issues linked more to the materiality analysis than to the assurance activity, which is always focused on the process and is formalized on the retraceability of the analysis itself and on its substantial adequacy. (A7)

Closely linked to the materiality principle is the reliability and completeness principle. The broader scope of IR compared with other corporate reports could result, among other things, in wider “freedom” for the company (Corrado *et al.*, 2019), which could be used in an opportunistic way.

It is important that the company does not keep out issues on purpose, just because it has more difficulty in talking about them. So that is what is being checked out [...] if IR has a “missing” part. I must always ask myself the relevance of the information to the recipients. Why aren’t we talking about that topic? Media analysis is useful to confirm the result of the materiality analysis. (A5)

Moreover, the cited absence of suitable criteria increases the difficulty of assurance with regard to the reliability and completeness principle (Melloni *et al.*, 2017; Corrado *et al.*, 2019).

It is difficult to say whether a strategy is complete or not. Even in the case of the mission: it is difficult for an auditor to say whether that mission is correct or incorrect. A manager can exercise his or her professional judgment to say: “this is for me the Business Model” [...] but the auditor’s job, to say no, affirming “I do not think it is the Business Model”, is more difficult. (A1)

The above principles are common to other standards, although in the context of IR the approach to implementation is different, but the connectivity of information is a specific Principle of the IRF. Here, the lack of guidance appears even more critical:

Something that is not well understood is this connectivity of information between what has to happen, right? The IRF gives you some references, but it does not give you examples that could be useful from this point of view, especially for those who have an approach, like us, not principle-based but in terms of compliance [...] in my opinion this is a critical issue. (A9)

The research findings show that the answers to these critical elements might not be found in the current assurance approach. The difficulty of directly assuring some of the contents of IR reveals more clearly the need for change, particularly in terms of a greater focus on the underlying processes and systems of companies.

4.1.4 Internal company processes and systems. Achieving mature assurance practices requires mature reporting practices and, consequently, robust underlying processes and systems. In the case of IR, many key issues remain open. The respondents agreed that IR has potential utility for companies as a tool that can help trigger paths of change via integrated thinking and a new conception of the organization (Burke and Clark, 2016). However, the translation of the concept of integrated thinking into action is hindered by the lack of adequate guidance cited above, as this negatively affects the implementation of effective processes and systems and their real integration (De Villiers *et al.*, 2014).

In particular, the respondents pointed out aspects for which assurance is currently issued relating to the processes underlying the generation of NFR. Some noted that, for the majority of companies, these processes currently show a relatively low degree of maturity and formalization, thus confirming the results of other studies (Maroun and Atkins, 2015; Goicoechea *et al.*, 2019) and the need to invest in this direction. Given that IR considers both financial and non-financial aspects, it represents an important shortcoming, which need to be overcome to approach this “new” reporting paradigm. As highlighted by one respondent, “the organizations that approached IRF had already more mature processes [than companies publishing only NFR]” (A3), which confirms the need for growth by companies with regard to non-financial dimensions and the positive effects generated by mandatory NFR.

In the context of soft narratives and future-oriented information and the IRF principles, internal processes and systems are key aspects of achieving IR assurance because, in some cases, they are themselves the object of the assurance. These processes and systems, i.e. the planning system, the management control system, the internal control system, and the risk management system, are not specifically related to IR but are implemented by companies regardless of the issuance of IR. Eventually, internal processes and systems should be shaped and oriented towards the common IR perspective of value creation over the short, medium and long term.

In terms of assurance, considering the processes underlying the generation of specific information included in IR (not overlapping with those of NFR), our respondents have limited experience, and one pointed out “this is not the main aim of our activity today. I can intuitively say that they should be strengthened, but it is not something we currently practice at present” (A7). In this regard, the research findings proved that further steps should be taken by assurance service providers as well as companies to issue and assure IRs, as highlighted below.

4.1.5 Maturity of stakeholders. Another critical aspect which emerged from the research is the current low level of maturity of the stakeholders regarding IR, in terms of knowledge about this type of disclosure and the related reporting paradigm. A difference between investors and financial analysts, clearly more informed, and other categories of subjects was however noted.

The big doubt is that, you know, there is a lot of information in IR and it is not certain that all readers of that document will be able to understand it. (A6)

This lack of stakeholder maturity impacts various aspects of IR. On the one hand, the lack of knowledge affects the actual usefulness of IR in informing the decisions of the majority of stakeholders (Slack and Tsalavoutas, 2018). Some respondents also noted some favourable signals, particularly in financial markets (Zhou *et al.*, 2017), suggesting that increasing attention is paid to the information contained in IRs. On the other hand, the level of maturity is linked to the stakeholder engagement activities that the company can conduct and their real effectiveness, with implications for IR content. With regard to the materiality principle, if a company carries out materiality analysis by engaging stakeholders, as suggested by the IRF, the maturity of the subjects engaged could affect the results. As rightly pointed out:

Perhaps the problem is whether stakeholders know how to be stakeholders. Because it is a problem within a problem. That is: are they actually aware subjects? Are they trained subjects so that the analysis does not present elements of distortion? (A9)

From the perspective of assurance, this is an important issue. On the one hand, stakeholder maturity may impact the contents of the report and some underlying processes, especially if the stakeholders are engaged in the preparation process. On the other hand, a low level of maturity may affect the expectations of stakeholders with regard to the level of assurance.

Considering NFR, for which assurance is currently carried out, the majority of the respondents considered limited assurance appropriate for almost all companies and stakeholders.

Limited assurance is not “insignificant”. [...] it means that the company is not “free” [...]. Alternatively, you would see written in those documents really “everything and more”, so it certainly has its value. Then, the fact that the market understands the difference between limited and reasonable assurance already requires good knowledge. Operators and financial analysts understand very well and know this topic very well, but the analyst also knows that this kind of information [at present] can only have limited assurance. (A4)

The limited degree of stakeholder maturity also probably affects the behavior of companies, which “at this time have no interest in asking for reasonable assurance [with regard to NFR]” (A3). In the light of the critical aspects described above, a “reasonable” assurance would obviously be more expensive for companies and riskier for the assurance provider (Eccles *et al.*, 2012; Maroun and Atkins, 2015; Oprisor, 2015).

Given that these critical issues are evident even in the context of NFR, which is a relatively mature reporting system, the situation for IR is much more complex and probably not resolvable on a short-term horizon. The research findings suggest that further development of the non-financial dimension is necessary before the complex IR issues can be fully addressed.

4.1.6 Auditor issues: liability and engagement risk, skills and composition of the assurance team. Other critical aspects relate to auditors, including auditor liability, as defined in literature described above (Maroun and Atkins, 2015; Goicoechea *et al.*, 2019):

The risk for the auditor in the case of IR is a bit more complicated “to rein in”, because what differs is the type of reliance that each stakeholder has on specific information that more or less can affect them, which may be of interest to them. (A5)

Auditor liability is potentially heightened by the lack of guidance noted above and the inclusion of specific content, particularly the assessment of narratives and future-oriented information. The temporal dimension, that is, changes the potential evolution of the information disclosed in a report, as was also noted:

I invested in a Business Model described in a certain way and then it proved to be different. Can this happen? Maybe so. There’s an issue of temporality there. Maybe it’s different the year after. Because obviously companies are managed, things evolve. These are issues that still need to be focused on. (A5)

In addition, the respondents pointed out critical issues regarding the skills of the assurance service providers and the composition of the assurance teams. First, the respondents recognized that general skills in non-financial issues are not sufficient in the IR context; that is, skills in aspects specifically related to IR need to be developed (Maroun and Atkins, 2015; Maroun, 2018; Corrado *et al.*, 2019). Second, this greater complexity is likely to affect the assurance team not only in terms of expertise on financial and non-financial issues but also in

terms of specialization in the various businesses of companies, as an effective understanding of all aspects contributing to value creation is needed (Maroun and Atkins, 2015).

You have to understand all the components: capitals, strategy, risks, governance and so on. You must strive to understand the business really within the context of the organization. In the future, if you can assure everything, also high skills on the business and sectors of the companies will be needed. (A5)

These findings raise issues about who is capable of performing IR assurance and, consequently, how the market for this service could evolve, particularly for non-Big Four auditors.

Skilled auditors could also play an important role in guiding the paths of companies by disseminating knowledge and skills (Burke and Clark, 2016; Briem and Wald, 2018), because by “being close to people who know how to do it, it is clear that you learn, isn’t it?” (A4)

4.2 Auditors’ views on the evolution of integrated reporting assurance, possible solutions to challenges and potential new approaches

In analysing the possible development of IR assurance, the respondents cited aspects related to reporting and assurance standards, mandatory IR and IR assurance, assurance reports and level of assurance, and provided insights on an important shift to new approaches. The viewpoints expressed by the respondents can be divided into two categories: one, the evolution into the current assurance model, and two, suggestions calling for a more significant shift from the current model towards new assurance approaches.

4.2.1 Reporting and assurance standards. All respondents expressed opinions on standards for both reporting and assurance (Cohen and Simnett, 2015; Maroun and Atkins, 2015; Oprisor, 2015; Maroun, 2017, 2018; Goicoechea *et al.*, 2019), which they perceived as possible solutions to the problems outlined above:

In the end, if there are no clear and defined rules, it is impossible for the auditor to assure anything. (A2)

Assurance, by definition, is in most cases codified. Whatever the type of opinion, be it an opinion on a reasonable or limited assurance, it is always codified and complies with precise rules. (A8)

As noted above, and confirming previous studies, the respondents agreed that the current version of the IRF has shortcomings from the perspective of assurance, but did not agree on the need for a new specific reporting standard. The majority of auditors suggested that a more precise definition of the contents of the IRF is needed. The remaining respondents believed that standardization of the IRF is neither appropriate nor necessary, for different reasons. One concern was the possible implications of standardizing the IRF, considering its underlying “spirit”:

If the IRF were standardized, it could perhaps betray the initial spirit, it could misrepresent IR, which aims to be very “high”, but this [...] I don’t know [...] it would help the assurance. A standard will be increasingly necessary as more companies go towards adoption of the IRF and push for the adoption of an IRF that is not a transcoding of the GRI using the Framework as a reference but a “different” document. If it remains like this, as an ideal model in which, however, GRI is perfectly diluted and embedded, there is perhaps no need for standardization of the IR. (A7)

Assurers who were not favourable to the standardization of the IRF suggested linking existing standards recognized as suitable criteria to avoid the proliferation of standards, which could hinder assurance.

One respondent proposed standardization only of the content not included in existing standards:

[...] maybe more qualitative, more descriptive issues will remain outside. I would avoid excessive proliferations of standards, because many are already available and then you do not even know what to use. (A5)

Another assurer who did not favour IRF standardization pointed out:

You need to find the common element that brings all frameworks and standards together [...] SDGs [Sustainable Development Goals] could be a solution. IR should be a document that keeps all these things inside because IRF is principle-based. (A9)

The respondents also expressed different opinions on the need for a new assurance standard. Some respondents did not consider significant action necessary because, from their point of view, the critical issue is the report and the reporting process.

The implementation of a few more ISAs is not the solution, quite the opposite [...] first you have to define the content well [...] because all ISAs are consequent to the object to be analysed. (A4)

However, other respondents did consider the definition of a specific assurance standard for IR appropriate.

What does ISAE 3000 give you? It gives you notions of process, of process verification, it focuses on some elements, materiality and other aspects [...] but you don't go into how that information was built, which is something completely different. (A9)

The different viewpoints on the need for a new reporting standard reveal that various critical aspects shape the possible evolution. The standardization of the IRF may be framed within the perspective of the current assurance model, but as rightly pointed out, the effects of standardization on the purpose and scope of IR need to be considered to avoid negatively affecting the content of the report. In this regard, companies could choose to disclose only information that can be assured and omit information that users may find useful but cannot be assured (i.e. future-oriented information) (Maroun and Atkins, 2015), unless a new assurance approach is implemented.

4.2.2 Mandatory integrated reporting and integrated reporting assurance. As a possible evolution, some respondents cited a possible positive impact of legislation requiring both IR and IR assurance. According to these respondents, the obligation to prepare and assure IR may have positive effects on the evolution of professional practice, on auditor activity and company practices (Eccles *et al.*, 2012), similar to when NFR became mandatory in EU. NFR in fact became mandatory in Europe under European Directive 2014/95, which lays down the rules on disclosure of non-financial and diversity information by large companies in their annual reports from 2018 onwards. Assurance on NFR however is mandatory in few European countries, of which Italy is one.

I wish to see a strengthening by the regulators or the legislators to require certain disclosures, not to have an obligation, but to provide a regulatory direction. [...] A shared path through compliance, because it helps, stimulates, obliges and encourages use [...] [...] Companies have generally complained about mandatory NFR, but what is emerging is a very interesting stimulus. [...] in my opinion in a year, maybe two but not more, there will be a big leap forward. (A5)

It is important to note that the path towards the adoption of IR and possible legal enforcement of IR also need to be considered in the light of the need to prioritize the IRF against an already well-established reporting framework. The GRI is in fact already widely used by companies to comply with the EU Directive in reporting non-financial information,

rather than implementing any fundamental change to established reporting practices, as would be required for using the IRF. Thus, without a legislative requirement, companies could not be encouraged to be IIRC compliant because they already have a tool given by GRI Standards that they can use to comply with the EU Directive (Biondi *et al.*, 2020). For that reason, the citation made by some of the interviewed auditors are really meaningful as they could be read in alignment with recent literature on those issue, where the imposition by law of IR standard could be considered important for its development, like it was for GRI linked to what NFR today needs.

Positive effects are likely only once IR practices are more mature and some of the critical challenges have been overcome, particularly, as noted above, the identification of the role and real purpose of IR and the IRF.

4.2.3 Assurance report and level of assurance. Various issues related to the assurance report and the level of assurance were mentioned. With respect to the evolution of the assurance report, some of the insights from the respondents pointed to the need for potentially fundamental change.

We should think about an “ad hoc document”, which for each part must specify what is expected, what is expected to assure. [...] In my opinion, we must completely distance ourselves from the concept of an audit report in the field of accounting and “invent” something completely different, because it responds to different rules, different concepts. (A8)

The majority of the respondents believed that integrated assurance, rather than separate assurance communications related to different areas, is not a viable solution in the short term (Maroun, 2017; Goicoechea *et al.*, 2019). Such convergence would even require specific legislation in addition to the previously mentioned definition of guidance:

In my opinion there will be two different assurance reports, because one is regulated by specific legislative provisions, the principles of assurance are different, so I do not see any convergence in the short term. When there are more integrated principles of reporting and assurance, perhaps we can get there, but to date there is no possibility of convergence [...] it would only create confusion. (A1)

Moreover, the issue of integrated assurance is also linked to the question of which assurance providers can offer the service. Considering the issues described above, particularly the skills needed to perform such assessments, the Big Four firms would likely be favoured over other non-Big Four companies and auditors.

With regard to the level of assurance potentially achievable, the majority of respondents believed that a mix of assurance levels (“hybrid”) would be appropriate. A reasonable level was mainly indicated as one covering the selected KPIs, “which must be followed over time by a reasonable assurance on the whole NFR” (A7), whereas a limited level of assurance would cover the remaining content. One respondent (A6) considered limited assurance the most appropriate level for the whole report, as a hybrid level might be difficult for readers to understand. Another respondent (A5) stated that “a reasonable level potentially could be achieved” only in the medium to long term (Burke and Clark, 2016; Goicoechea *et al.*, 2019).

In addition, a perspective linking integrated assurance and the level of assurance was also suggested:

A comprehensive approach may be the solution only if there is only one assurance, probably. [...] I see a reasonable and informative commentary approach in an integrated assurance context, but not otherwise. (A9)

These differences in opinion highlight the continued uncertainty relating to IR and, consequently, the possibility of achieving IR assurance. The more conservative approach probably reflects the feeling that some critical elements are unlikely to be overcome in the future. By contrast, there is a greater openness towards the possibility, certainly in the medium to long term, of achieving an assurance that can help improve the quality and reliability of the information disclosed. Insights about potential new assurance approaches can be framed within this context.

4.2.4 Potential new approaches. The respondents were asked to consider potential new approaches proposed in some research literature (PwC, 2014; [Maroun and Atkins, 2015](#); [Maroun, 2017, 2018, 2020](#)) that would be complementary to current approaches rather than substitutes. Their opinions about possible changes in the way assurance is performed varied. On the one hand, some auditors raised concerns about implementing approaches considered incompatible with the concept of assurance based on the current model, which should shift the focus of assurance.

I see “Interpretive” assurance as a bit difficult, [...] the judgment is always a professional judgment about compliance with the guidelines. It’s not an auditing activity, we are not thinking about evolving in this direction, it’s not our job. (A1)

On the other hand, some respondents believed that while change is possible, the evolution of assurance towards new approaches will depend on the evolution of IR and the way in which it is implemented, as noted above.

In this debate there is a great absence: strategic, future-oriented IR. Assurance is also a bit adaptive. I believe that there can be an evolution in this sense if IR evolves in the direction originally intended by the Framework, if it becomes a different and high document, inspired by the principles and very future-oriented. So if the interpretation given is a high, strategic interpretation [...] then it is clear that assurance must follow this type of evolution [...] in the light of elements such as narratives, forward-looking [...] because we may have few performance data, but more narratives [...] this could shift the emphasis of assurance. If 20 pages tell you about the company’s strategy [...] this requires a different type of assurance and assurance activities from those adopted for a more “traditional” reporting. If the interpretation given is the juxtaposition of financial and non-financial reporting, the current approach of assurance is adequate [...] I do not see the need for an evolution of assurance. (A7)

With regard to potential new approaches, a greater focus on internal processes and systems was highlighted by the respondents.

It seems to me that we are moving and rightly so, towards a process control activity and not so much on the data. (A10)

The respondents suggested that a focus on different types of processes supporting the assurance of the information provided could be useful. On the one hand, as mentioned above, an assurance focused on the underlying process and document-based evidence ([Maroun and Atkins, 2015](#); [Maroun, 2017](#)) could help surmount some challenges, especially the assessment of soft narratives and future-oriented information. Moreover, some critical elements were noted with regard to these processes:

We need to understand what is meant by process, because it is difficult to codify in some cases. [...] how the process that leads to the definition of the vision should be [...] I don’t know [...] I think it’s a little more complicated. [...] It is difficult to frame something that by definition must arise from instinct, rather than from specific steps. The issue is: does it exist or does it not exist? More than: does it comply with a number of requirements, steps of approval? Is there a time when the company really asks itself some questions? [...] once a year, directors [...] shareholders [...]

think “what are we doing”, “where are we going”, in my opinion is a good message. I think there is more a reasonable expectation to understand if there is a more or less structured mechanism. Unfortunately, in my opinion it is difficult to find anything else. (A8)

On the other hand, some respondents stated that IR assurance could also involve the report preparation process.

The task of the assurer, but frankly I do not know if he has the tools to do so, is to achieve an evolution of the assurance that is no longer just to look at a report, but an activity that goes beyond [...] The assurer must go back up the process of preparing the report. Banally also trying to understand, from the point of view of methodological rigor, why that report was carried out in that way. From my point of view, it is a walking through activity, through which the assurer should retrace the preparation process of the report. [...] You realize that in these documents there is no vision at all, no complete direction. Why shouldn't the assurer then address that approach? I think that's the “red thread” that ties it all together. (A9).

The insights provided by the respondents have repercussions at several levels. First of all, IR assurance activities aligned with the IR concept proposed in the IRF would differ greatly from currently adopted practices and thus necessarily have different characteristics, expanding to wider levels and affecting areas not considered in the current model. The difficulty of assuring certain information, which is probably not solvable, could also lead to considering stakeholder involvement to obtain feedback on the most subjective content, as suggested by one respondent (A9). Finally, the concept of assurance probably needs to be redefined to move from the currently more compliance-focused meaning to a broader concept of providing trust, which would allow the role of the parties involved to be redefined. In this sense, greater maturity among stakeholders themselves in consistently shaping their expectations of a tool such as IR will also be crucial.

5. Conclusions, limitations and suggestions for future research

This research presents the first empirical evidence on the views of auditors on the topic of IR assurance in Italy and responds to calls for in-depth analyses of IR assurance practices and the roles of auditors (Cheng, *et al.*, 2014; Simnett and Huggins, 2015; Conradie and De Jongh, 2018). Experienced auditors in the fields of financial audit and NFR assurance were purposefully selected and interviewed, and their opinions about the main challenges to be addressed and potential new assurance approaches were elicited and analysed.

The present research confirms the findings of recent studies that assurance on sustainability reporting is widespread and is important to building credibility and trust among corporate stakeholders (Jones and Solomon, 2010; Junior *et al.*, 2014). But there is a substantial difference between assurance on sustainability reporting and assurance on IR, and our findings relating to IR assurance can be summarized as follows.

All respondents agreed on the potential value and utility of IR assurance and on the fact that, at present, the absence of suitable criteria is the main obstacle to IR implementation (Cohen and Simnett, 2015; Maroun and Atkins, 2015; Maroun, 2017, 2018). Also noted as particularly critical were the assurance of soft narratives and future-oriented information and the application of principles of materiality; reliability and completeness; and connectivity.

Moreover, the respondents highlighted the low maturity of the processes and systems underlying the generation of information disclosed in IR, and the lack of knowledge about

such disclosures among the majority of stakeholders. Skills on issues related to IR, along with specialization in terms of business sectors, need to be developed for assurance teams.

With regard to the possible evolution of IR assurance, some respondents believed that IR assurance should be developed within the framework of current assurance models, while others believed that it is possible and appropriate to switch to new assurance models to capture the specificity of IR. In general, the financial auditor respondents emphasized the need for definitions of guidance and legislative aspects. Although the respondents dealing with NFR assurance were aware of the critical elements highlighted above, they mainly expressed their views on the new assurance models.

This study provides insights for standard setters on the opinions of qualified auditors regarding the implementation of IR assurance. These insights will help regulators to better understand the limits and opportunities of requiring IR assurance and, more generally, the assurance of specific information not strictly related to financial information. For practitioners, this research highlights the importance of IR assurance as a future business area and identifies aspects on which assurance provider firms and accountants should focus. Finally, this research could help companies understand the future evolution of IR assurance and the importance of producing and collecting information to accompany traditional financial disclosure.

However, this research also has several limitations. First, the number of auditors interviewed is low, which limits the generalizability of the results. Future studies could involve a larger number of subjects, both in Italy, where IR is gradually spreading, and in other countries where it is already more widespread. Another limitation is that the points of view of other parties involved in IR are not considered in this study. In particular, although investors and other stakeholders are indirectly represented by the perceptions of the respondents, their expectations and requirements are not examined.

It will be important to understand whether assurance is indeed a necessary condition for the “survival of the <IR> movement over the short-to-medium term” (Cheng *et al.*, 2014, p. 99). Further research involving companies would also be useful to explore the possible conditions and synergies between internal and external mechanisms aimed at ensuring the reliability of information disclosed in IR.

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Corresponding author

Barbara Borgato can be contacted at: barbara.borgato@studenti.unipr.it