

# DISCLOSURE OF GOVERNANCE INFORMATION IN THE INTEGRATED REPORT

## AN INFORMATION PAPER

INTEGRATED REPORTING  
COMMITTEE OF  
SOUTH AFRICA

 <IR>  
NETWORK

[www.integratedreportingsa.org](http://www.integratedreportingsa.org)

# Purpose

The Integrated Reporting Committee (IRC) of South Africa has developed this Information Paper to help organizations improve their disclosure of governance information relevant to the organization's value creation process in their integrated reports.

“Assessing the quality of governance is less about whether a particular decision by the governing body is judged to be right or wrong with hindsight, but more about the rigour of the process that led to the decision.”

# Weaknesses in the disclosure of governance information

## Value creation, structure and process

- **Approach** to governance is not always disclosed.
- Governance structure, processes and other practices disclosed without explanation **as to how** they contribute to the value creations process.
- **Lack of information** on how the governing body applies and governs integrated thinking and how trade-offs between the capitals are approached in decision-making.
- **Respective roles** of the governing bodies are not always disclosed.

- Mainly **generic** and compliance-related information is disclosed.
- **Unnecessarily detailed** information is given.
- Areas requiring **improvement and focus areas** in the year ahead are not always disclosed.
- **Commentary on outcomes**, particularly the negative effects on the capitals is often omitted.
- **Commentary on quality** of key stakeholder relationships and plans to secure future resources is rare.

## Material information

## Connectivity

- Information is **not connected to related information in other parts of the report** with governance viewed as a stand-alone section of the report.
- There is **no clear linkage** between remuneration policy, performance measurement, actual performance against strategic objectives and the calculation of incentive pay-outs and how these link to value creation.

# Key considerations

**Statement from those charged with governance**

**Governance approach**

**Connecting governance and value creation**

**Leadership structure**

**Processes for decision-making and monitoring**

**Key actions**

**Culture, ethics and values**

**Use of and effects on the capitals**

**Enabling innovation**

**Remuneration and incentives**

**Format**

# King IV

“When preparing the integrated report and deciding on the extent of King IV disclosure to be included in the integrated report, the organization considers the seven Guiding Principles of the Framework. Information that does not meet the Guiding Principles can be included in a supplementary report or on the organization’s website. The integrated report includes cross-references as to where the disclosure information may be found.”