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From: Laura Spira <lfspira@brookes.ac.uk>
Sent: 05 February 2021 12:10
To: Future of Corporate Reporting
Subject: "The future of corporate reporting" discussion paper - comments

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This is a very welcome discussion paper and I hope that it will prompt useful debate. The supporting material is also of considerable interest, although it was not always clear how conclusions from the survey, the literature review and the Citizens Juries have influenced the thinking behind the paper. The literature review is comprehensive and very useful in defining areas where more evidence is needed to support policy. The Citizens Jury approach is novel and comes closest to addressing the need for understanding the public interest requirements of corporate reporting. Their conclusions particularly with regard to independence and enforcement should be taken on board by the regulator.

I would have liked to see some reference to the history of corporate reporting in the UK, especially to earlier discussions such as the 1975 ASSC discussion paper [The Corporate Report](#) and the 1988 ICAS publication [Making Corporate Reports Valuable](#), both of which attempted to assess the underlying purpose of reporting before arguing for innovative changes. The fate of those proposals could have provided useful insights into potential areas to consider.

The idea that corporate report content can be “stakeholder neutral” needs to be explored further. How can this be reconciled with the fundamental requirement in designing a reporting framework to define the audience for the reports? It is worth remembering that the corporate reporting framework we currently have was originally designed to provide information for resource providers – who at that time were creditors and shareholders. The nature of shareholders has changed: they are no longer a homogeneous group (if they ever were) and, due to the complex investment intermediary chain, buying company shares does not necessarily establish any sort of direct link through resource provision. (It is notable that the survey covered almost no respondents who identified themselves as looking at reports from a lender perspective. What do lenders need to know and where do they get their information?)

But what might corporate reports look like if providing information for resource providers was still their purpose? Who are the resource providers that allow modern companies to operate? What information do they need to hold companies to account for the use of those resources? Accountability should surely be the prime purpose of corporate reporting. Answering these questions would also enable a coherent approach to providing the necessary assurance to underpin reports reliability.

The paper was disappointingly difficult to read. The design is very fussy and in my view obscures important aspects of the content. (My enquiry about the availability of a hard copy received no reply.) The presentation of the survey was also problematic: the speech bubbles enclosing quotes from respondents were incomplete.

I do hope that the paper is widely read and that constructive feedback will be elicited. But I also hope that readers are not tempted to dive into a critique of the detail while ignoring the rather more basic questions that have been skated over.

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