



Integrated Reporting <IR> Framework

An **integrated report** is a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term.

This document sets out the criteria used by BUFDG in its assessment of the extent to which institutions' annual reports:

- demonstrate the **guiding principles** of integrated reporting;
- include consideration of the different **content elements** of integrated reporting; and
- can be **understood by the reader** and are a pleasure to read.

Further information about integrated reporting is available at <http://integratedreporting.org/>.

Guiding Principles

The guiding principles underpin the preparation and presentation of an integrated report, informing the content of the report and how information is presented. The seven principles, and how they are assessed, are detailed below.

(1/7) Strategic focus and future orientation

Does the report:

provide insight into the institution's strategy, and how it relates to the institution's ability to create value in the short, medium and long term and to its use of and effects on resources?

And does it:

have a clear strategic focus, allowing the reader to gain insight into what the institution seeks to achieve in the future, rather than dwelling on the achievements of the past?

provide clear evidence of action that is being taken or has been taken to implement the institution's strategy?

explain how the efficient and effective use of financial, intellectual, human and natural resources will support the delivery of the institution's strategy?

discuss the relationship between past and future performance and how the institution has learned from past experience in determining its future direction?

explain how the institution's strategy will create value in the short, medium and long term?

(2/7) Connectivity of information

Does the report:

show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the institution's ability to create value over time?

And does it:

provide a complete and holistic view of the institution's strategy, governance, performance and prospects?

provide a good balance of qualitative and quantitative information, allowing the reader to gain insight into and to reach an informed understanding of the institution's strategy, governance, performance and prospects?

include information that is consistent with other sources of information prepared by the institution, such as its strategic plan and reports to those charged with governance?

(3/7) Stakeholder relationships

Does the report:

provide insight into the nature and quality of the institution's relationships with its key stakeholders (including students, staff, funders, graduate employers and the wider society), including how and to what extent the institution understands, takes into account, and responds to their legitimate needs and interests?

And does it:

outline clearly who the institution's main stakeholders are and the role that they play in respect of the institution's ability to create value?

explain how the institution engages with each of its main stakeholders?

explain how the institution has taken into account the needs and interests of its stakeholders when developing and implementing its strategy (preferably with specific examples)?

provide convincing evidence that the institution has done more than simply pay lip service to the needs and interests of its stakeholders when developing and implementing its strategy?

(4/7) Materiality

Does the report:

disclose information about matters that substantively affect the institution's ability to create value over the short, medium and long term?

And does it:

focus on significant matters that impact upon the institution's ability to create value and highlight clearly the issues that are most significant to the reader's understanding of the institution's strategy, governance, performance and prospects?

explain how the institution has identified those matters that have a significant impact on its ability to create value?

provide information only on issues that are material to the reader's ability gain insight into the institution's strategy, governance, performance and prospects?

include all issues that are relevant and material to the reader's understanding of the institution's strategy, governance, performance and prospects, regardless of whether these reflect positively or negatively on the institution?

(5/7) Conciseness*Is the report:*

And does it:

Concise?

include sufficient context to allow the reader to understand the institution's strategy, governance, performance and prospects without being burdened with less relevant information?

avoid unnecessary repetition of information and inclusion of information that is not relevant to the purpose of the report?

avoid, where possible, highly generic information or disclosures that do not relate specifically to the institution?

(6/7) Reliability and completeness*Does the report:*

And does it:

include all material matters, both positive and negative, in a balanced way and without material error?

present information that is credible and free from obvious error?

present a balanced view of the institution's strategy, governance, performance and prospects?

provide a complete view of the institution's strategy, governance, performance or prospects and of the opportunities, risks and other issues that it faces?

present information that is free from obvious bias in its selection and presentation?

(7/7) Consistency and comparability

Does the report:

present information (a) on a basis that is consistent over time and (b) in a way that enables comparison with other institutions to the extent it is material to the institution's own ability to create value over time?

And does it:

as far as can be determined, present a nature and level of information that is consistent with reports from previous years?

present information that allows, as far is reasonable, the institution's strategy, governance, performance or prospects to be compared with those of other institutions?

provide strategically relevant information in respect of the institution's performance against recognised sector benchmarks or in relevant league tables?

Assessment

Our assessment considers the extent to which the institution's report demonstrates the guiding principles of integrated reporting.

Guiding principle	Our assessment			
	1	2	3	4
Strategic focus and future orientation				
Connectivity of information				
Stakeholder relationships				
Materiality				
Conciseness				
Reliability and completeness				
Consistency and comparability				

The assessment scores can be interpreted as follows:

1	The institution's report does not demonstrate the guiding principle or demonstrates it only incidentally and to a limited extent;
2	The institution's report demonstrates the guiding principle to some extent, but has not espoused it to any significant degree;
3	The institution's report has espoused the guiding principle and demonstrates it to a reasonable extent;
4	The institution's report has espoused clearly the guiding principle and demonstrates it consistently throughout.

Content Elements

An integrated report includes the eight content elements, which help to provide a holistic view of an organisation's strategy, governance, performance and prospects.

(1/8) Organisational overview and external environment

Does the report:

answer the question: What does the institution do and what are the circumstances under which it operates?

And does it:

set out clearly the institution's vision and mission?

set out the institution's operating structure, its principal activities and markets and its relative position within the sector?

provide information in respect of the competitive environment and of the institution's position within this environment?

set out key quantitative information, such as numbers of students and staff and revenue from its various activities, together with any significant changes from prior periods?

provide information in respect of significant external factors impacting on the institution, such as commercial, social, technical, environmental and political matters, together with an assessment of their impact on the institution's ability to implement its strategy and to create value?

(2/8) Governance

Does the report:

answer the question: How does the institution's governance structure support its ability to create value in the short, medium and long term?

And does it:

provide information in respect of the institution's leadership structure, including the skills and diversity of those charged with governance and whether regulatory requirements influence the design of the governance structure?

explain the roles of the different elements of the institution's leadership structure and how they interact with each other?

provide sufficient explanation of the differences in roles and responsibilities between executive and non-executive members of the leadership team?

explain how strategic decisions are made across the institution?

set out specific actions that those charged with governance have taken to influence and monitor the strategic direction of the institution and its approach to the management of risk?

set out how those charged with governance, and other members of the leadership team, are remunerated and how the nature and level of their remuneration is determined?

(3/8) Business Model

Does the report:

answer the question: What is the Institution's Business Model?

And does it:

set out clearly the institution's business model, including its main activities and how they fulfil the institution's strategic purposes and create value over the short, medium and long term?

explain how the institution's main activities draw on the financial, intellectual, human and natural resources upon which the institution depends?

set out the institution's main sources of income and the factors that determine the level and sustainability of this income over time?

(4/8) Risks and opportunities

Does the report:

answer the question: What are the specific risks and opportunities that affect the institution's ability to create value over the short, medium and long term, and how is the institution dealing with them?

And does it:

explain the institution's approach to identifying significant risks and opportunities, including how it defines 'significant' risk and opportunity?

set out the significant risks affecting the institution's ability to create value over the short, medium and long term?

explain how the institution is managing these risks and the level of net risk to which it will remain exposed?

provide information on significant opportunities relating to the institution's ability to create value over the short, medium and long term?

explain how the institution is seeking to realise these opportunities and the anticipated benefits of the institution's efforts?

set out how the institution will monitor and report on its efforts to manage the risks and to realise the benefits of the opportunities that it has identified?

(5/8) Strategy and resource allocation

Does the report:

And does it:

answer the question: Where does the institution want to go and how does it intend to get there?

set out clearly the institution's short, medium and long term strategic objectives?

explain the strategies that the institution has in place, or intends to implement, to achieve its strategic objectives?

set out the resource allocation plans that the institution has in place to support the implementation of its strategy?

set out how the institution will ensure its financial sustainability in the short, medium and long term?

explain how the institution will measure its performance in achieving its strategic objectives in the short, medium and long term?

explain how the institution seeks to differentiate itself in the sector and how this is reflected in its strategy, structure and activities?

(6/8) Performance

Does the report:

answer the question: To what extent has the institution achieved its strategic objectives for the period and what are its outcomes in terms of effects on resources?

And does it:

set out clearly the institution's strategic objectives for the period covered by the report and the extent to which it has achieved them?

provide a balanced and complete view of the institution's performance?

provide information on the institution's performance in respect of strategic, financial, people and environmental issues?

explain the impact of the institution's activities and performance on the financial, intellectual, human and natural resources upon which the institution depends?

provide information in respect of the state of relationships with key stakeholders and how the institution has responded to these stakeholders' legitimate needs and interests?

discuss the linkages between past and current performance and between current performance and the institution's outlook?

(7/8) Outlook

Does the report:

answer the question: What challenges and uncertainties is the institution likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?

And does it:

set out the institution's expectations about the external environment that it is likely to face in the short, medium and long term?

explain how the external environment will impact on the institution's ability to achieve its strategic objectives?

explain how the external environment will impact on the financial, intellectual, human and natural resources upon which the institution depends?

set out how the institution is currently equipped to respond to the critical challenges and uncertainties that are likely to arise?

as far as can be determined, provide an assessment of the institution's ability to respond effectively to changes in the external environment that is based on a realistic appraisal of the competitive landscape and of the institution's strengths, weaknesses and market positioning?

(8/8) Basis of presentation

Does the report:

answer the question: How does the institution determine what matters to include in the integrated report and how are such matters quantified or evaluated?

And does it:

set out how the content of the report has been determined and who has been involved in the preparation of the report?

set out who has reviewed and approved the report prior to its publication?

include a summary of the significant frameworks and methods used to quantify or evaluate material matters included in the report?

where necessary, explain any uncertainty or unreliability inherent to any of the data or information that has been used in the preparation of the report?

Assessment

Our assessment considers the extent to which the institution's report includes consideration of the different content elements of integrated reporting.

Content elements	Our assessment			
	1	2	3	4
Organisational overview and external environment				
Governance				
Business model				
Risks and opportunities				
Strategy and resource allocation				
Performance				
Outlook				
Basis of presentation				

The assessment scores can be interpreted as follows:

1	The institution's report does not provide information in respect of the content element or does so incidentally and without purpose;
2	The institution's report provides some information in respect of the content element, but makes little or no attempt to contribute to a holistic view of this aspect of the institution's strategy, governance, performance and prospects;
3	The institution's report provides a reasonable amount of information in respect of the content element and makes some attempt to contribute to a holistic view of the institution's strategy, governance, performance and prospects;
4	The institution's report provides comprehensive information in respect of the content element and makes a clear and convincing attempt to contribute to a holistic view of the institution's strategy, governance, performance and prospects.

Readability

An integrated report can be understood clearly by the reader and is a pleasure to read.

(1/1) Readability

Can the report:

be understood clearly by the reader and is it a pleasure to read?

And:

is the report structured clearly, with a good narrative flow and without unnecessary fillers?

is the report written in clear language that can be understood easily by the reader?

are technical terms defined clearly and used only where necessary?

does the report make good use of tables, figures, photographs and other visual aids to understanding?

does the report hold the reader's attention?

is the report enjoyable to read?

Assessment

Our assessment considers the extent to which the institution's report can be understood by the reader and is a pleasure to read.

Readability	Our assessment			
	1	2	3	4
Readability of the report				

The assessment scores can be interpreted as follows:

1	The institution's report is difficult to understand and fails to capture the reader's attention;
2	The institution's report is reasonably comprehensible, but is far from being a joy to read;
3	The institution's report can be understood clearly by the reader and is not too tiring to read;
4	The institution's report is clear, engaging and a pleasure to read.

