



Association
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Certified Professional
Accountants™

AICPA® & CIMA®

Integrated Thinking and the Sixth Epoch of Accountancy

US <IR> Community
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Integrated Thinking

An Introduction to integrated thinking

Integrated thinking allows you to understand, assess and improve the interdependencies between your operational and functional units and resources and relationships, manage your ESG impacts and ultimately enhance your value creation or minimize your value erosion.



Integrated thinking in practice

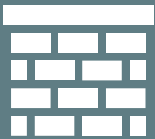
The benefits for business organizations



Integrates your financial and sustainability performance



Creates cross-functional collaboration



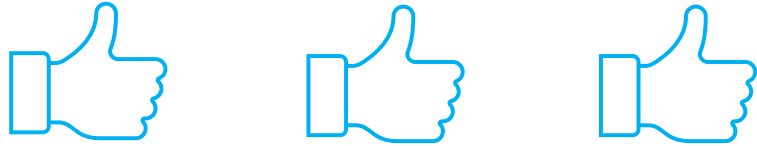
Strengthens the trust of your key stakeholders



Drives value creation through your purpose and culture



What does the IFRS Foundation say?



“A strategic planning tool for boards and management”.

“Practical guidance that will enhance the quality of corporate governance and reporting”.

“We strongly encourage continued use of the Integrated Reporting Framework and the Integrated Thinking Principles underpinning it”

Andreas Barckow, Chair of the IASB, and Emmanuel Faber,
Chair of the ISSB



The Integrated Thinking Principles

Charting the journey to sustainable business

Rooted in the concept of integrated thinking, the Integrated Thinking Principles ('Principles') are a guiding star by which to chart a journey focused on creating and preserving value over time and minimizing value erosion

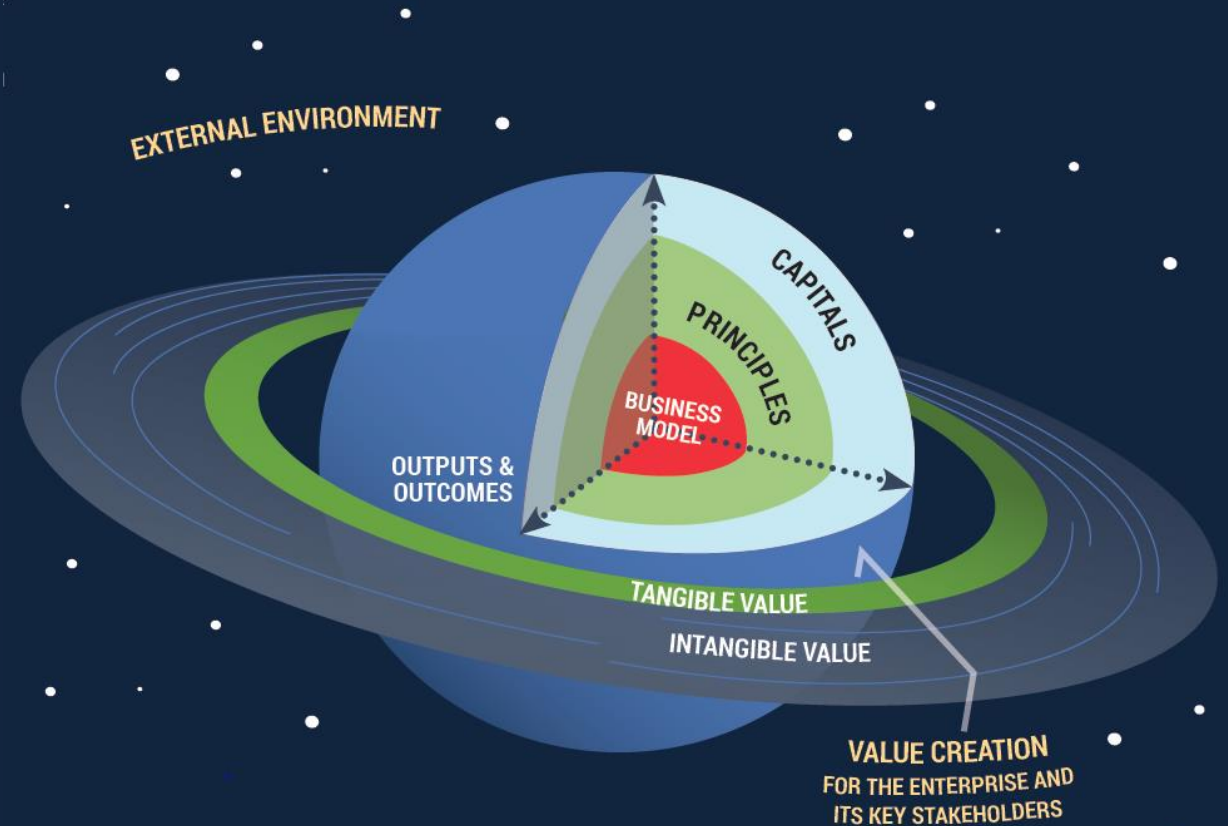


The Integrated Thinking Principles

The Structure

The Principles are designed to help senior teams to:

- Better decision making
- Navigating the trade-offs between the resources and relationships
- Balancing the value creation over time



The Structure



The Integrated Thinking Principles

How the Integrated thinking principles support sustainable business

Each of these six Principles is explored across three levels:

Level I

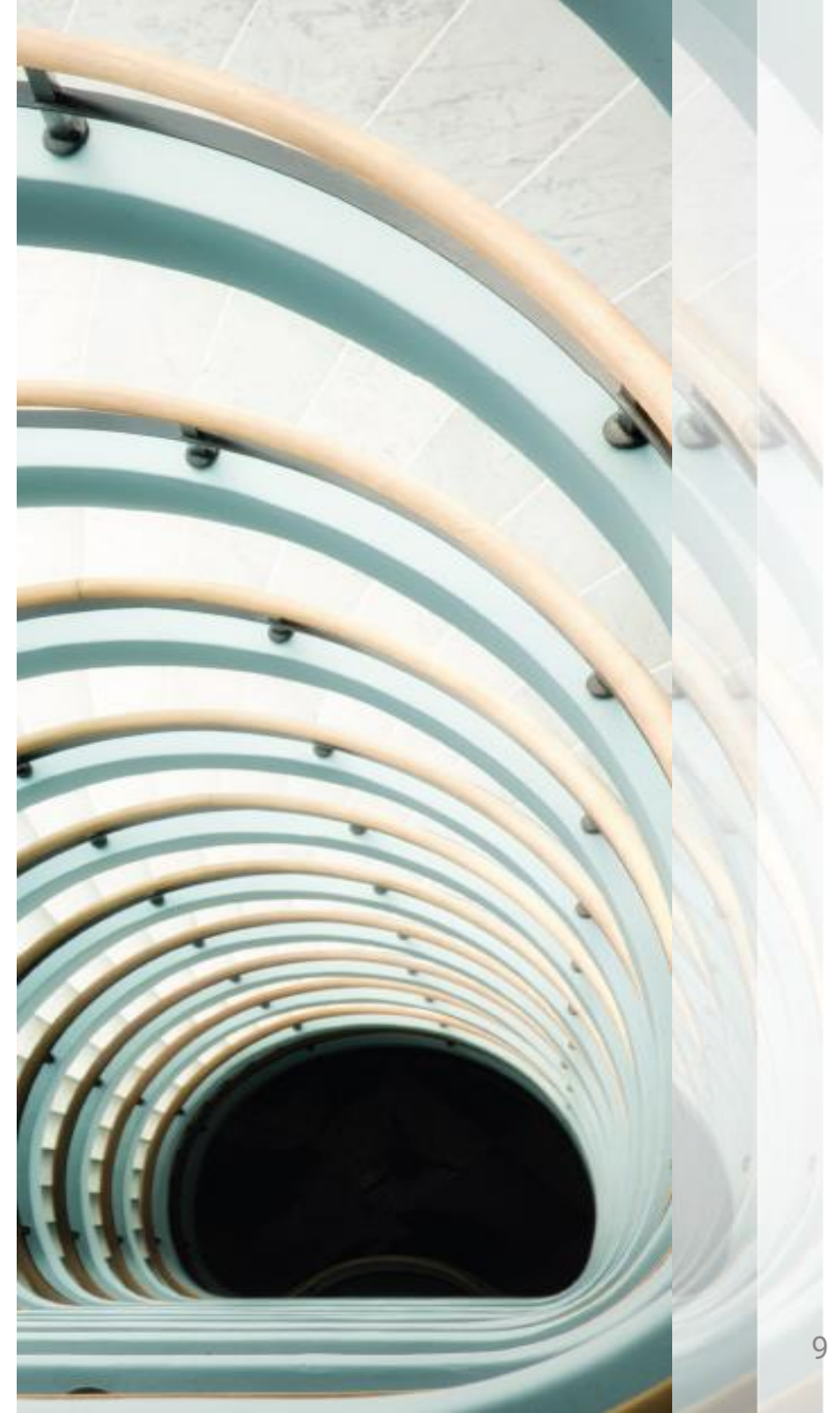
Aim: encourage the leadership and management teams to reflect on them, in order to think and act in an integrated manner

Level II

Aim: continue the assessment of the extent of integrated thinking within an organization

The third III

Aim: operationalize the journey towards sustainable value creation for the enterprise and its key stakeholders



Level 1: The Principles

PURPOSE

How do we make a unique contribution to the needs of society and why do we exist?

STRATEGY

How does our organization seize opportunities, mitigate risks and maximize the resources available to us to meet the needs of our customers through the products we make and the services we provide, whilst generating a financial surplus?

Business Model

*Creating value today,
sustaining value tomorrow**

Level 2: Assessment

PURPOSE

Our organizational purpose is unique and clearly articulated. It is brought to life in the interactions of our leadership, management, staff, customers, suppliers, host governments and local communities.

STRATEGY

We scan the horizon for strategic opportunities.

We have identified our strategic objectives and gauged how their achievement will enable us to achieve our purpose and contribute to the SDGs.

Our sustainability priorities are aligned with our business strategy.

We understand how the material issues associated with our business model affect our ability to execute our strategy.

We understand how our products and services meet our customers' needs.

We consider how our strategic actions affect our broader stakeholders.

We generate competitive advantage through our innovation, unique insights and perspectives, and our ability to bring our products and services to market in an effective and efficient way, whilst also generating a financial surplus.

Business Model

*Creating value today,
sustaining value tomorrow**

Level 3: Operationalizing the Principles

key business processes and critical activities

PURPOSE

- Our organizational purpose is motivational and the North Star for how we conduct our business.
- Our Board routinely reviews whether our company's decision-making and resource allocation are consistent with our purpose.
- Our purpose is as relevant on the shop floor as it is in the Boardroom, as well as amongst our key external business partners and broader stakeholders.

STRATEGY

- The executive team identifies future opportunities for our organization during our strategic planning process.
- Our strategy and strategic objectives are clearly defined, forward-looking and responsive to longer-term drivers of value creation, such as technological, societal and climate change.
- Our strategy and strategic objectives are aligned with the distinct contribution our organization can make to the SDGs.
- Our sustainability priorities have been identified through an objective process and reinforce our business strategy.

- The executive team regularly assesses whether the achievement of our strategic objectives is helping us achieve our purpose.
- We undertake a periodic assessment of our material issues and have assessed how these may affect our ability to execute our strategy.
- The strategic opportunities presented by our operating environment, including in our supply chain and broader value chain, are regularly assessed by the executive team.
- We invest in innovative products and services and nurture a culture of innovation through our purpose and values.
- We manage our operations efficiently, taking account of all our dependencies and impacts on our material capitals.

Business Model

*Creating value today,
sustaining value tomorrow**

Resources to support your adoption of integrated thinking

- [Integrated Thinking Principles](#)
- [Transition to Integrated Thinking: a guide to getting started](#)
- [Integrated Thinking Resource Hub](#)
- [Case studies](#)
- [The Virtuous Loop Report](#)

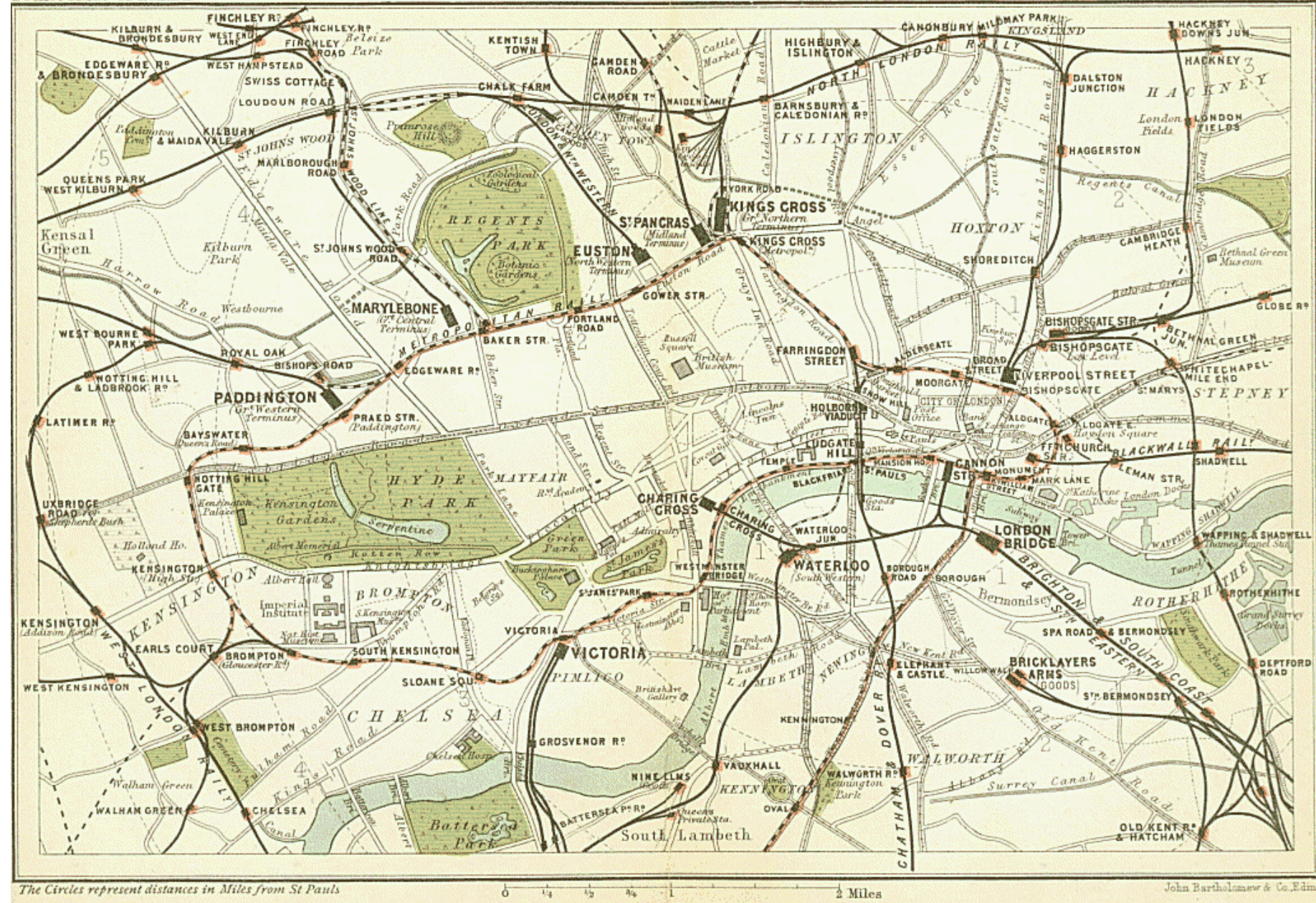
The next great epoch
for the accountancy
profession?

1494



1772





The Circles represent distances in Miles from St Pauls

0 1/4 1/2 3/4 1 2 Miles

John Bartholomew & Co. Edin.

1890s

1920s



2010s

THE IMPERIAL BANK OF PERSIA.

BALANCE SHEET, 20th September, 1919.

LIABILITIES.

£ s. d.

To Capital—			
99,800 Ordinary Shares of £6 10s. 0d.	650,000	0	0
200 Founders' Shares of £5 10s. 0d.	250,000	0	0
„ Reserve Account	1,109,201	18	9
„ Notes in Circulation			
„ Deposits:—In London	£649,341	15	5
„ Persia (in Silver)	2,180,722	19	5
„ Bills payable, Endorsements and Adjustments	2,830,064	14	10
„ Profit and Loss Account	5,184,733	0	11
	52,809	5	3

£10,076,808 19 9

ASSETS.

£ s. d.

By Cash in hand, at Bankers, and in transit	£1,918,003	6	1
„ Money lent in London at call and short notice	185,000	0	0
„ Treasury Bills	2,103,003	6	1
„ Investments in British and Colonial Government and other Securities taken at or under prices ruling on 20th September, 1919	1,000,000	0	0
„ Bills Discounted, Loans and Advances, including Adjustments and Past Due Bills and Loans	2,731,079	5	6
„ Bills Receivable	3,241,933	7	0
„ Bank Premises, Furniture and Stationery	987,733	6	11
	13,059	14	3

£10,076,808 19 9

DR.

PROFIT AND LOSS ACCOUNT, 20th September, 1919.

CR.

To Amount due to Persian Government	£	s.	d.
„ Interim Dividend at 3s. per Share, paid 18th June, 1919 (free of Income Tax)	4,814	2	3
„ Transfer to Reserve Account	15,000	0	0
„ „ „ Bank Premises Account	30,000	0	0
„ „ „ Bank Premises Account	5,000	0	0
„ Second and Final Dividend at 5s. per Share (free of Income Tax) paid 30th December, 1919	£25,000	0	0
„ Balance to new account	27,809	5	3
	52,809	5	3
	<u>£107,623</u>	<u>7</u>	<u>6</u>

By Balance brought forward at 20th September, 1918	£	s.	d.
	27,388	3	10
Net Profit after deducting Expenses of Management and General Charges in London, at Chief Office, Branches and Agencies, and after making provision for Income Tax, Excess Profits Duty and bad and doubtful debts	80,235	3	8
	<u>£107,623</u>	<u>7</u>	<u>6</u>

DR.

RESERVE ACCOUNT.

CR.

To Balance carried forward	£	s.	d.
	250,000	0	0
	<u>£250,000</u>	<u>0</u>	<u>0</u>

By Balance at 20th September, 1918	£	s.	d.
„ Amount transferred from Profit and Loss Account	220,000	0	0
	30,000	0	0
	<u>£250,000</u>	<u>0</u>	<u>0</u>

SYDNEY ROGERS,
Manager and Secretary.

G. W. KELBE,
Accountant.

H. S. BARNES,
Chairman.

We have audited the above Accounts with the Books at the London Office, and with the Certified Returns from the Chief Office in Persia and the various Branches and Agencies and have found the same in accordance therewith. The Cash, Bills Receivable and Investments in London were duly verified by us. The Values placed against the Assets are in accordance with the Accounts received from Persia and elsewhere, and are those adopted by the Directors, who inform us that adequate provision has been made for bad and doubtful debts and contingencies. For the purpose of comparison, the Assets and Liabilities of the Persian Offices have been converted into £ Sterling at the average rate ruling for some years prior to the War.

LONDON, 2nd March, 1920.

KEMP, SONS, SENDELL & CO., Chartered Accountants, Auditors.

2020s &
beyond





Worldwide leaders in public and management accounting

Thank you

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