



23rd XBRL International Conference

"XBRL: Enhancing Business Performance"

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Global Implementation and Project Case Studies

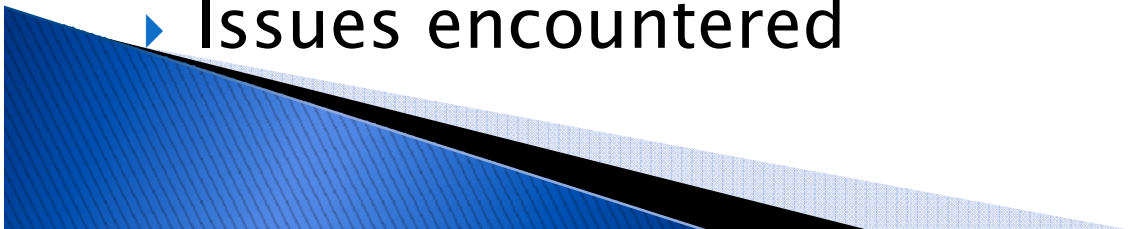
US GAAP Taxonomy Project: FASB Best Practice Research & Analysis

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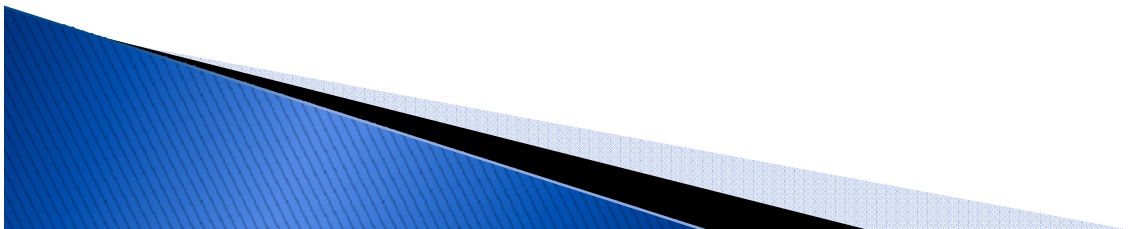
Agenda

- ▶ Best practice defined
- ▶ Previous process
- ▶ Rationale for developing new process
- ▶ Methodology
 - Phase one
 - Phase two
 - Phase three
 - Phase four
- ▶ Topics analyzed
- ▶ Preliminary Observations
- ▶ Issues encountered



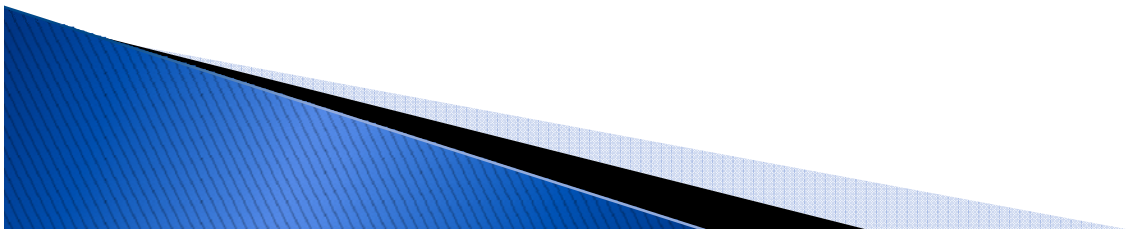
‘Best Practice’ Defined

- ▶ Information not required by US GAAP, but commonly disclosed. Generally, these practices are informal–standardized techniques, methods or processes that have proven themselves over time to accomplish given tasks.



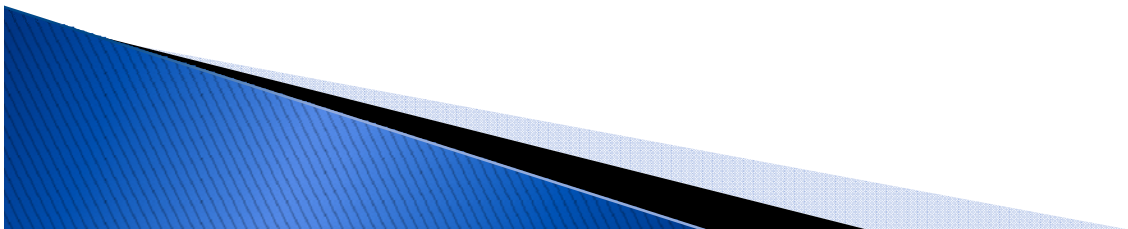
Previous Process

- ▶ Focus was on a finite list of extension elements and largely for the primary financial statements and text blocks
- ▶ Approximately 11,000 elements were categorically analyzed (68% in detail)
- ▶ From that analysis came recommendations across topics to modify the US GAAP Financial Reporting Taxonomy (UGT)



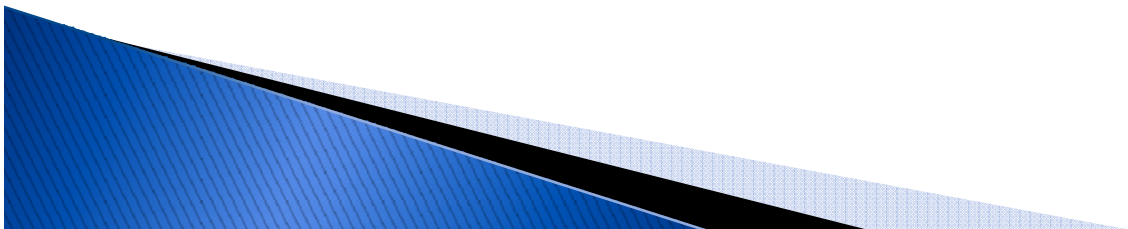
Rational For Developing Process

- ▶ Increase of companies filing XBRL instance documents
- ▶ Brute force analysis of extension elements would be overwhelming
- ▶ Requires a more targeted and systematic approach



Methodology

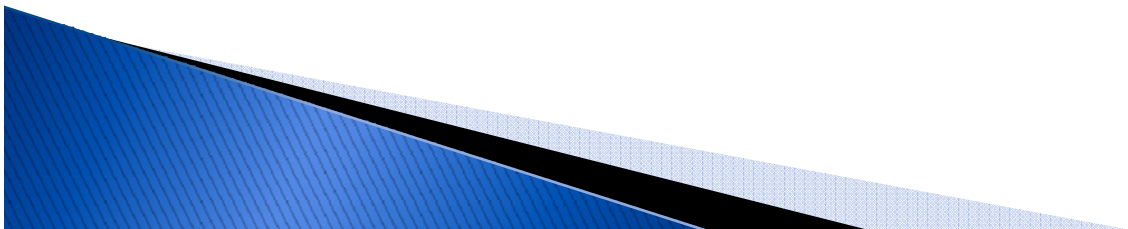
- ▶ Analysis extends beyond just XBRL filings
 - Understanding the US GAAP requirements
 - Understanding how disclosures are currently reported
 - Understanding how that is translated into current UGT
 - Then taking that understanding and applying it to XBRL data
- ▶ Development of a multi-step process
 - Steps are broken into four phase process



Methodology

Phase One

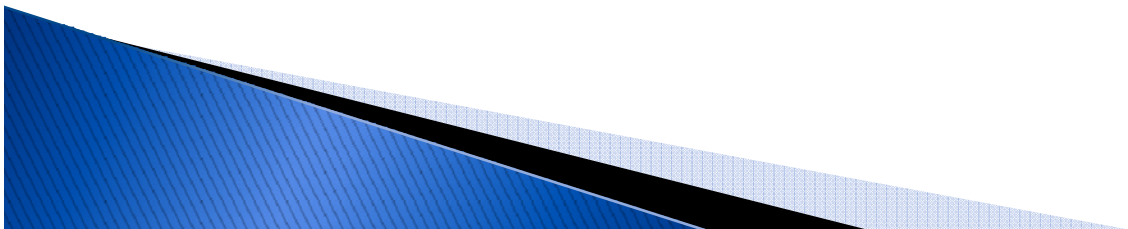
- ▶ Familiarize yourself with the disclosure
 - Foundation–building phase
 - Focus on US GAAP reporting requirements
 - Random sample of thirty companies (XBRL filers and non–XBRL filers)
 - Map sample companies' disclosure to requirements
 - Build expectation for analysis of XBRL data
 - Consider which disclosures in the sample company filings are *required*, *best practice* and *company specific*



Methodology

Phase Two

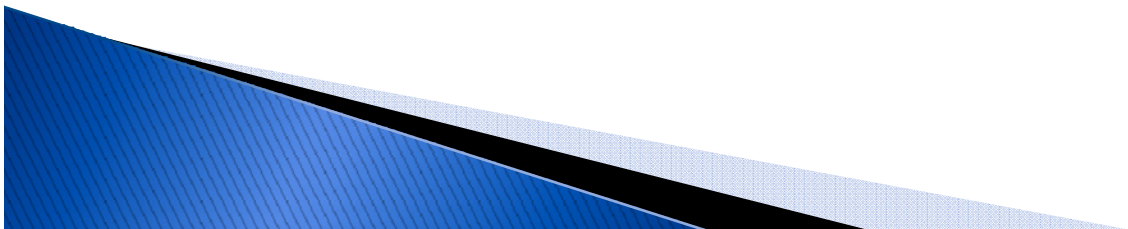
- ▶ Familiarize yourself with the XBRL
 - First, understand the coverage within the UGT for the disclosure topic
 - For the XBRL filers of the sample companies, map their elements to the expectation made in Phase One
 - Analyze the differences between expectation and actual
 - Investigate the underlying elements at cause for the differences



Methodology

Phase Three

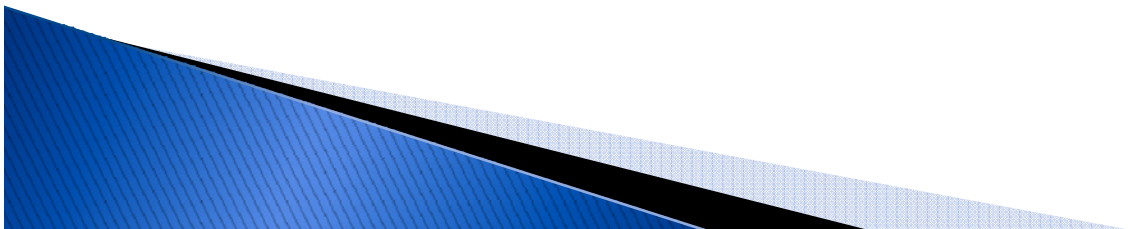
- ▶ Pull together the Analyses
 - Analyze “bulk downloads” of extension data for disclosure topics or industries
 - Use this data to either support earlier findings or uncover issues not identified in the sample companies
 - Categorize the extensions as follows: *Best Practice*, *Error*, *Uncommon Disclosure* or *Company Specific*
 - This allows for aggregation and assists in uncovering other issues within the UGT



Methodology

Phase Four

- ▶ Reporting
 - Once the above steps are completed, it is to be documented in a way that the analysis can be re-performed
 - Conclusion memo written summarizing the findings
 - The UGT is updated to reflect the recommendations made



Topics Analyzed

► Disclosure Topics

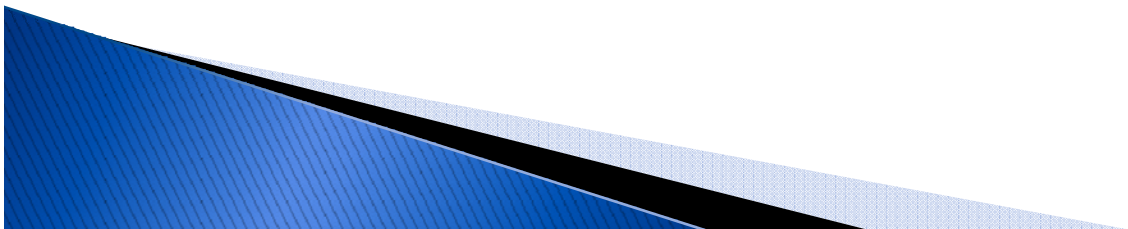
- Post-retirement plans
- Income tax
- Fair value
- Derivatives
- Financial instruments
- Related parties
- Commitments and contingencies
- Share-based compensation
- Subsequent events

► Industries

- Financial services/ banking
- Broker dealers
- Real estate companies
- REIT companies
- Private companies
- Oil and gas
- Development stage entities

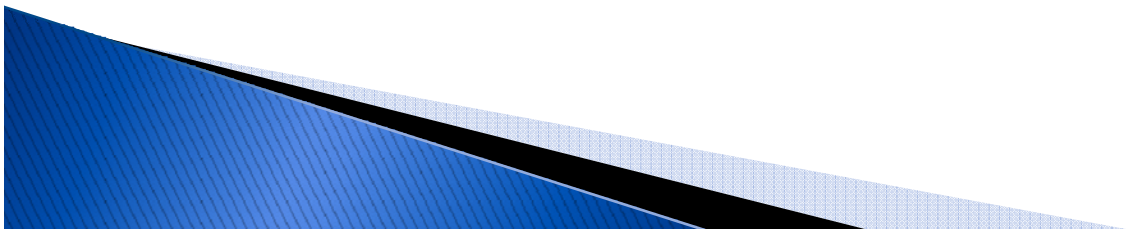
Preliminary Observations

- ▶ Inappropriate selection of elements is more concerning than extensions
 - Extension rates are falling but with that has come elements used in ways not intended
 - Careful consideration of the way elements are defined
 - Careful consideration of the usability of the UGT
- ▶ Dimensions are advantageous when all of the line items cannot be anticipated
 - Assists in usability of the UGT



Issues Encountered

- ▶ Differentiating between a “common reporting practice” and the implementation of US GAAP
- ▶ Refinement of an industry analysis approach
- ▶ Calculating extension rates
- ▶ Better development of a systematic approach to analyze extension elements



Questions

