Dutch approach to SBR Assurance

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Agenda

1. Standard Business Reporting in the Netherlands
2. The need for Assurance
3. The Dutch approach to SBR Assurance
4. Next steps

SBR in the Netherlands - 1

1. Standard Business Reporting standardizes not only Data, but also Processes and Technology

2. Public/private sector program since 2008

3. Primary goal is administrative burden reduction

4. Strategic decisions made by SBR Counsel, tactical discussions in SBR Platform

5. Central govt. coordinates and monitors, execution mainly by govt. agencies but also private sector

6. SBR replaces all paper-based filings

SBR in the Netherlands - 2

1. The Dutch SBR Taxonomy Architecture
   a. Multi-domain, multi-party development
   b. Until now closed, semi-open in near future
   c. Limits the use of the XBRL specification, but does not depart from it

2. The Dutch SBR Taxonomy
   a. Existing domains: Financial statements, Tax filings, Economic statistics, Credit reports
   b. Developing domains: Healthcare, Education, Agriculture, Subsidies, Assurance, Tax compliance, Local govt.
   c. Collaborative development, central management

SBR in the Netherlands - 3

1. SBR offered voluntary filing since 2009
2. Central facility for <u>deposit</u> of reports now ready for large-scale validation and distribution
3. Mandatory filing starting 2013, gradual implementation towards 2016
4. Required changes in laws and regulations underway
5. Other preconditions now being implemented:
   a. Private sector software is 'SBR-ready'
   b. Comprehensive approach toward assurance

The need for Assurance - 1

1. Mandatory filing of annual accounts as part of SBR requires a digitally readable version of the Auditor Report to be attached somehow
2. Emerging 'implicit assurance' situations, where no proper assurance approach exists; Credit reports, tax assurance, etc.
3. New insights into future assurance requirements;
   a. Shift from report level -> data level assurance
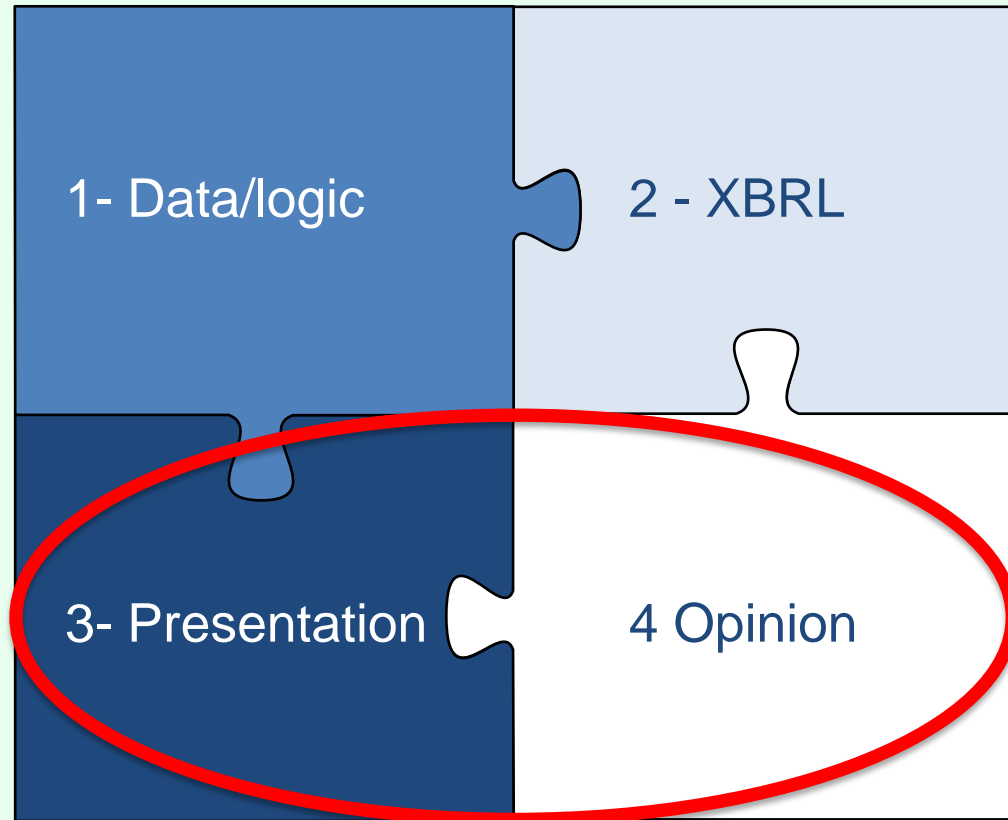   b. Hybrid forms of assurance over one report, prompted by trends like Integrated Reporting

The need for Assurance - 2

Conceptually, what do we actually expect from the auditor? A decomposition of the elements that auditors need to look at when working with SBR:

The mandate and assurance

1. Characteristics of annual accounts
    a. Not only data, but also presentation of the data has to be adequate
    b. "True and fair view" versus data-level assurance

2. Does this represent a "true and fair view?

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Consolidated">14265000</nl-gen:IntangibleAssets>
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Design principles

A. Integrated solution for creating, signing and publishing Auditor Reports and Annual Accounts

B. Separate XBRL instances for Auditor Reports and Annual Accounts, but able to create a solid link

C. Initially intended for report-level assurance but able to evolve towards supporting data-level

D. Flexible structure to support future modifications in the structure of Auditor Reports

E. Applicable for all types of reports, as well as use outside the Netherlands and SBR

F. Follow the Dutch Taxonomy Architecture as much as possible

The three Pillars

1-Normative presentation model

2-NBA assurance taxonomy

3-Signing and linking auditor report to annual accounts
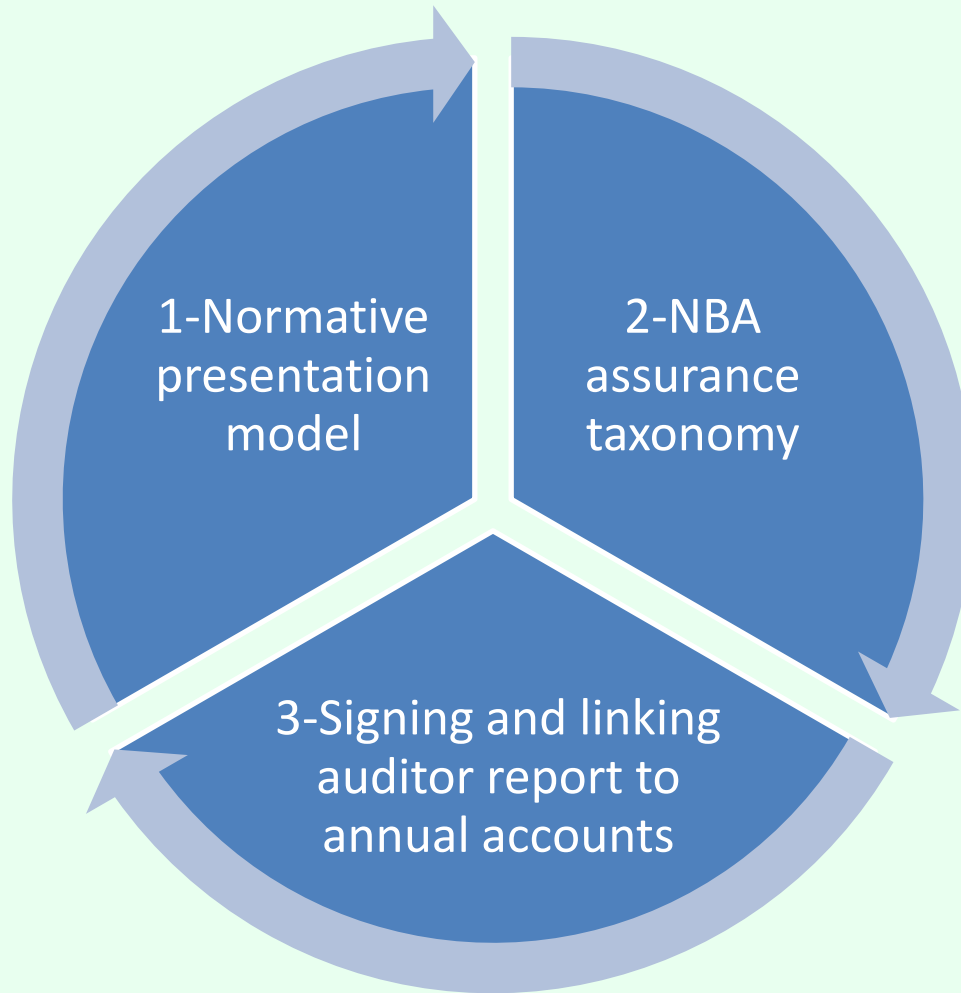
Pillar 1: presentation model

Specifications for validation and rendering solutions to be supported:

- The validation of SBR Annual Accounts and SBR Auditor Reports in XBRL format

- The presentation of the SBR Annual Accounts in a consistent (human readable) manner in accordance with the Dutch Civil Code and commonly used reporting models

- The presentation of the SBR Auditor Reports in a consistent (human readable) manner

Using the presentation model

Companies
- Draft SBR annual accounts
- Issue SBR annual accounts

Auditors
- Audit SBR annual accounts
- Draft and Issue SBR auditor reports

Users
- Render SBR annual accounts
- Render SBR auditor reports
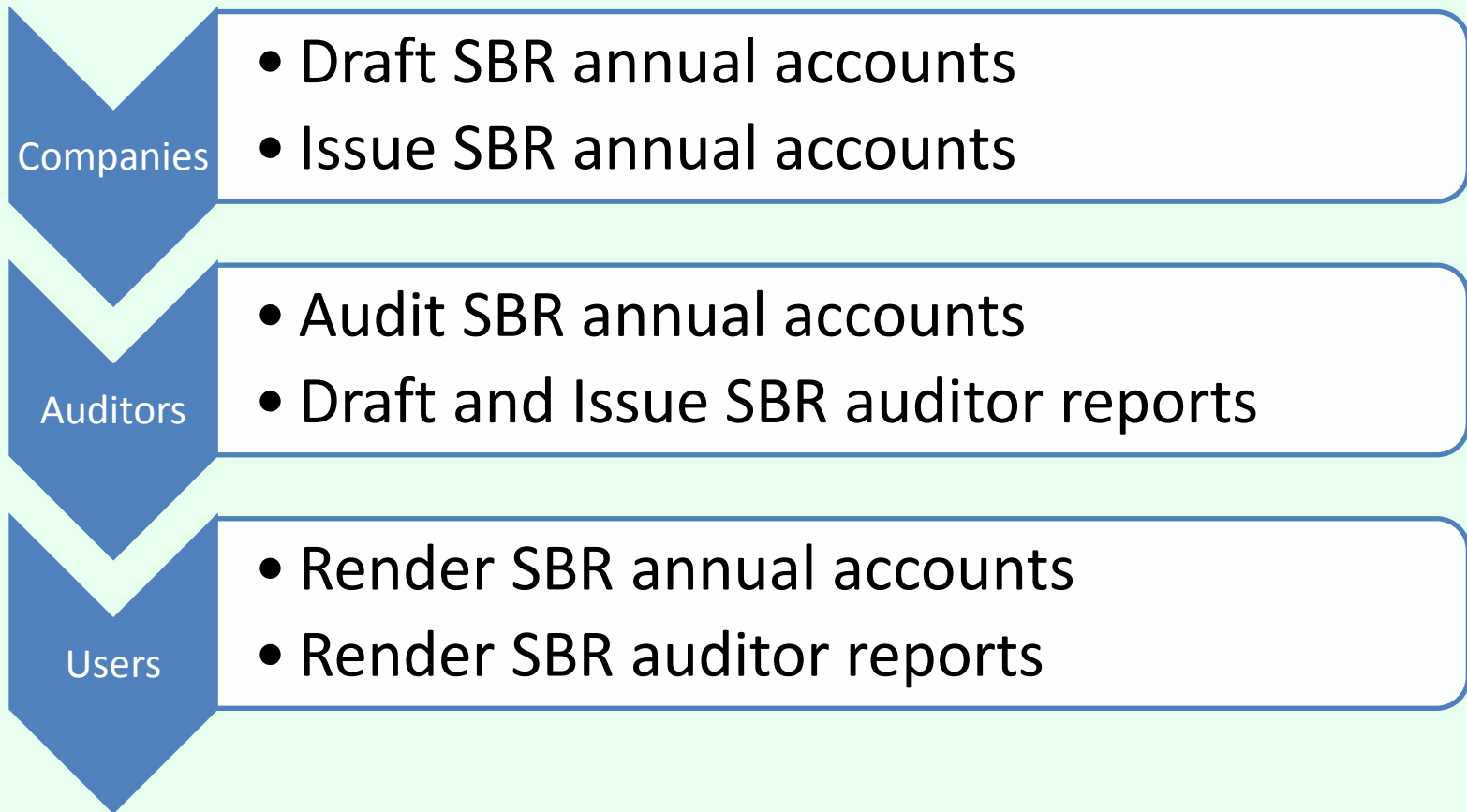
Pillar 2:NBA assurance taxonomy

Phase 1

Supporting ISA 700 (audit), ISRE 2400, ISRE 2410 (review) and ISRS 4410 (compilation) engagements

Phase 2

Supporting differentiated levels of assurance

Phase 3

Supporting company specific taxonomy extensions

Entry point assurance reports

Presentation Relationships	Type	References
▼ Accountantsverklaring		
▼ Content of the auditor's report [title]	String	
Heading of auditor's report	String	NBA NV COS 2012 700 21, IAASB ISRE 2012 2410 43a, IAASB ISA 2012 700 21, NB
Addressee	String	NBA NV COS 2012 2400 26b, NBA NV COS 2012 2410 43b, IAASB ISRE 2012 2400 2
▼ Introductory paragraph [presentation]	IntroductoryParagrap	NBA NV COS 2012 700 23
Header of introductory paragraph	String	NBA NV COS 2012 700 23, IAASB ISA 2012 700 23
Introductory paragraph	String	NBA NV COS 2012 700 23, IAASB ISA 2012 700 23
▼ Management's responsibility [presentation]	ManagementsRespon	NBA NV COS 2012 700 25
Header of management's responsibility	String	NBA NV COS 2012 4410 18e, IAASB ISA 2012 700 25, IAASB ISRS 2012 4410 18e,
Management's responsibility	String	IAASB ISA 2012 700 25, NBA NV COS 2012 700 25
▼ Professional accountant's responsibility [presentation]	ProfessionalAccounta	NBA NV COS 2012 700 25
Header of professional accountant's responsibility	String	NBA NV COS 2012 700 28, IAASB ISA 2012 700 28
Professional accountant's responsibility	String	IAASB ISA 2012 700 28, NBA NV COS 2012 700 28
▼ Basis for modification [specification]	BasisForModificationS	NBA NV COS 2012 705 16
Header of basis for modification	String	NBA NV COS 2012 705 16, IAASB ISA 2012 705 16
Basis for modification	String	NBA NV COS 2012 705 16, IAASB ISA 2012 705 16
▼ Professional accountants conclusion [specification]	ProfessionalAccounta	NBA NV COS 2012 700 34
Header of professional accountant's conclusion	String	NBA NV COS 2012 700 34, IAASB ISA 2012 700 34
Professional accountant's conclusion	String	IAASB ISA 2012 700 34, NBA NV COS 2012 700 34
▼ Emphasis of matter [specification]	EmphasisOfMatterSpe	NBA NV COS 2012 706 6
Header of emphasis of matter	String	NBA NV COS 2012 706 6, IAASB ISA 2012 706 6
Emphasis of matter	String	IAASB ISA 2012 706 6, NBA NV COS 2012 706 6
▼ Other matters [specification]	OtherMatterSpecificat	NBA NV COS 2012 706 8
Header of other matters	String	NBA NV COS 2012 706 8, IAASB ISA 2012 706 8
Other matters	String	IAASB ISA 2012 706 8, NBA NV COS 2012 706 8
▼ Other reporting responsibilities [presentation]	OtherReportingRespo	NBA NV COS 2012 700 38–39
Header of other reporting responsibilities	String	NBA NV COS 2012 700 38–39, IAASB ISA 2012 700 38–39
Other reporting responsibilities	String	NBA NV COS 2012 700 38–39, IAASB ISA 2012 700 38–39
▼ Signature, date and address [presentation]	SignatureDateAddres	NBA NV COS 2012 700 40, NBA NV COS 2012 700 41, NBA NV COS 2012 700 42
Name of the professional accountant	String	IAASB ISA 2012 700 40, NBA NV COS 2012 700 40
Other signatories	String	
Name of the firm	String	NBA NV COS 2012 700 40, IAASB ISA 2012 700 40
Date of the report	Date	IAASB ISA 2012 700 41, NBA NV COS 2012 700 41
Address of the professional accountant	String	IAASB ISA 2012 700 42, NBA NV COS 2012 700 42
▼ Information about the auditor's report [title]	String	
Type of engagement	Engagement	NBA NV COS 2012
Type of professional accountants conclusion	Conclusion	NBA NV COS 2012 705 7, IAASB ISA 2012 705 10, NBA NV COS 2012 705 9, IAASB
Type of matter	Matter	IAASB ISA 2012 706 6, NBA NV COS 2012 706 8, IAASB ISA 2012 706 8, NBA NV CO
Disclaimer to the auditor's report	String	
Type of hash function	HashFunction	
Hash value of the subject matter	String	

Sample instance document

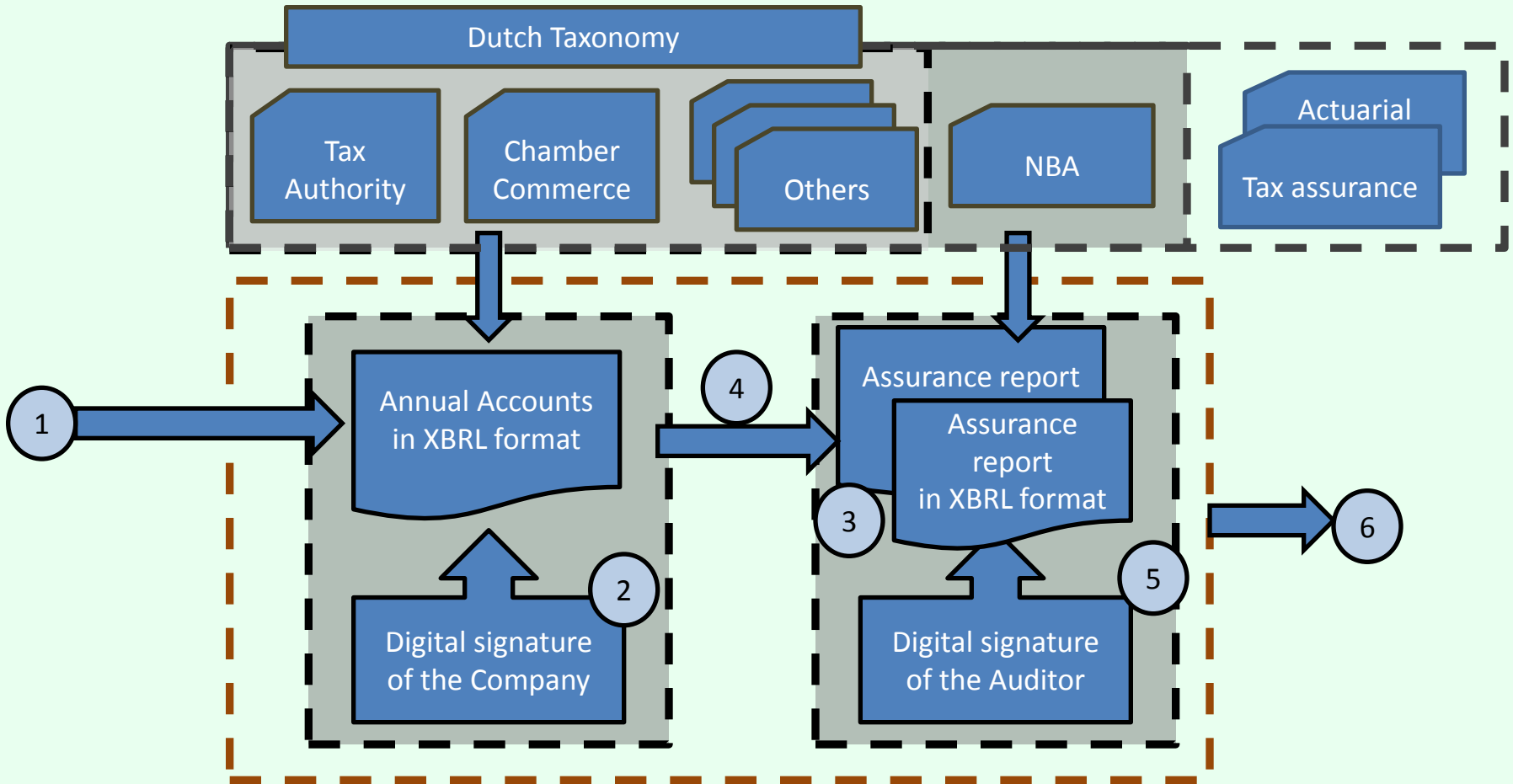| Label	Seq		
Type of engagement			
Type of professional accountants conclusion			
Type of matter			
Disclaimer to the auditor's report			rt
Type of hash function			
Hash value of the subject matter			
Heading of auditor's report			
Addressee			Shareholder of ... (name of entity).
▼ Introductory paragraph [presentation]			
Header of introductory paragraph	1		
Introductory paragraph	1		the year ended June 30 201X of ...
▼ Management's responsibility [presentation]	1		
Header of management's responsibility	1		
Management's responsibility	1		sentation of these financial statemer
▼ Professional accountant's responsibility [presentation]	1		
Header of professional accountant's responsibility	1		
Professional accountant's responsibility	1		al statements based on our audit. We
▼ Professional accountants conclusion [specification]	18		
Header of professional accountant's conclusion	19	FY12d	Opinion with respect to the financial statements
Professional accountant's conclusion	20	FY12d	In our opinion, the financial statements in XBRL format, when presented using the a rendering s
▼ Other reporting responsibilities [presentation]	21		
Header of other reporting responsibilities	22	FY12d	Report on other legal and regulatory requirements
Other reporting responsibilities	23	FY12d	Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code,
▼ Signature, date and address [presentation]	24		
Name of the professional accountant	25	FY12d	A. Auditor RA
Name of the firm	26	FY12d	XYZ Auditors N.V.
Date of the report	27	FY12d	2013-02-25
Address of the professional accountant	28	FY12d	Amsterdam

A hashing value calculated over the contents of the annual accounts instance to link the auditors report inextricably to the audited XBRL annual accounts

In our opinion, the financial statements in XBRL format, when presented using a rendering solution that is based upon the NBA presentation specifications, give a true and fair view of the financial position of ... (name of entity) as at June 30, 201X and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Pillar 3: signing and linking

Dutch Taxonomy

Tax Authority

Chamber Commerce

Others

NBA

Actuarial

Tax assurance

1

Annual Accounts in XBRL format

2

Digital signature of the Company

4

3

Assurance report

Assurance report in XBRL format

5

Digital signature of the Auditor

6

Next steps

This approach has now been adopted by the SBR program and the next steps are:

- Completion of the NBA Assurance taxonomy

- Develop the NBA Assurance tool to provide a standard presentation model

- Establish guidance for auditors involved in SBR Assurance

- Initiate a limited pilot project to test SBR Assurance in practice and adapt it where needed

- Initiate a broad pilot project to help auditors work with SBR Assurance

Questions