

Determinants of Levels of Satisfaction with SEC-Mandated XBRL Filing Process & Providers

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Common Adoption Alternatives

1. Regulator provided XBRL enabled excel, word, and PDF templates and Web Interface



The Regulator will provide submission options using the Regulatory portal and via XBRL embedded word documents, excel workbooks, and PDF templates

2. Bolt-on via Outsourcing or internal Utility



Printers and other third party service providers provide outsourced solution for mapping the disclosure elements on the financial statements and note disclosures (in block text) to the Regulator Taxonomy

3. Bolt-on via Internal Process



XBRL can be adopted by companies at the “highest” reporting level (i.e. consolidated) solely for purposes of complying with regulatory requirements. However, potential XBRL process enhancement benefits are not fully realized.

4. Embedded Processes



- Enables automation of currently manual assembly and review processes
- Requires companies to assess information needs and provides an opportunity to eliminate inefficiencies in current compliance and reporting processes.
- Enables process enhancements that lead to more timely higher quality data for decision making purposes
- Maximizes benefits of XBRL to preparers and internal users of financial and non-financial information.

FEI XBRL Preparedness Survey

- www.financialexecutives.org *
- Conducted by Financial Executives Research Foundation (FERF)
- Survey closed October 4, 2011
- 321 companies respond (300 unique companies)
 - Tier 1: 59; Tier 2: 112; and Tier 3: 129
- 55 survey questions (some w/ sub-questions)

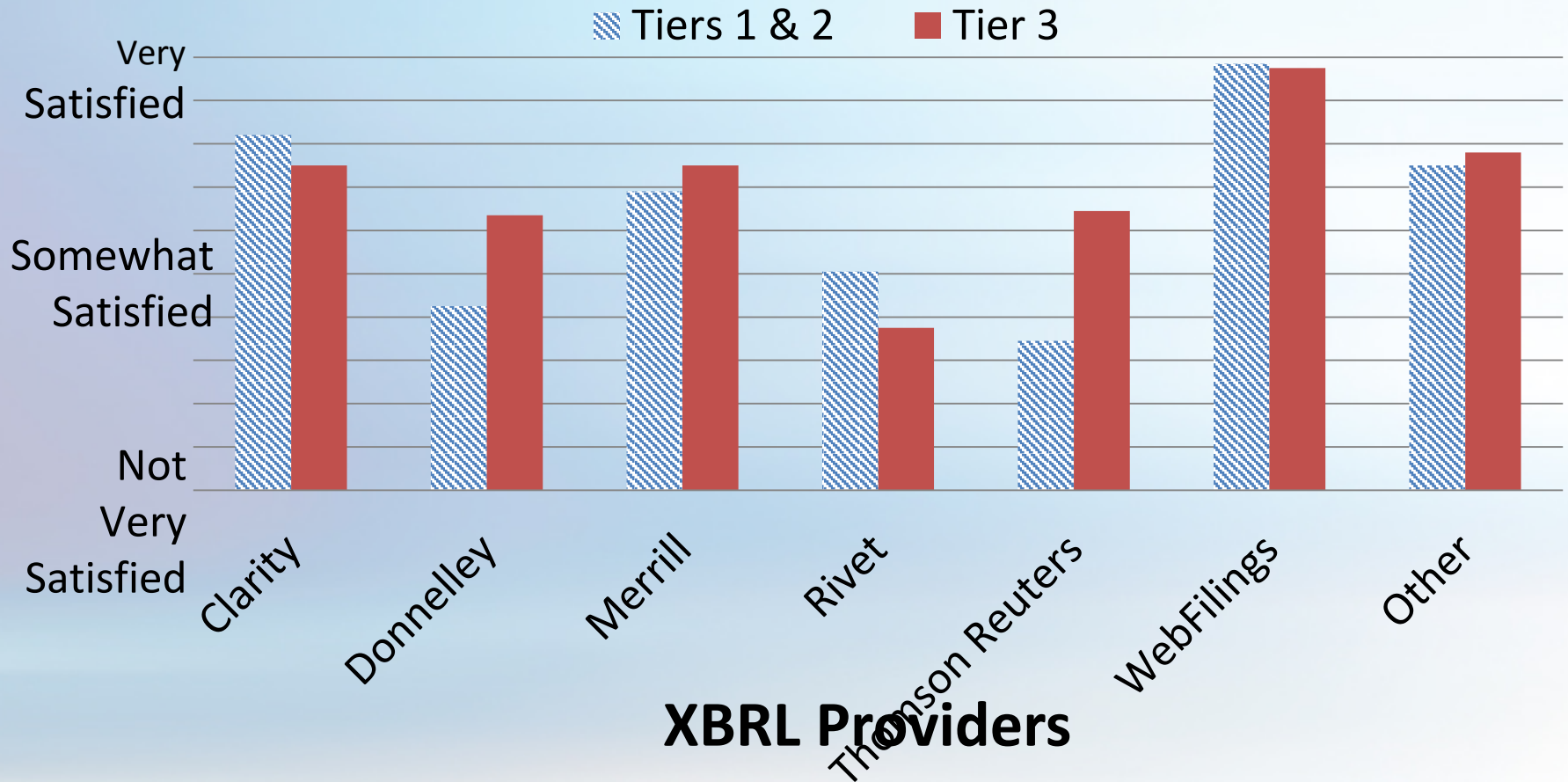
****SEC Reporting and the Impact of XBRL: 2011 Survey***

Free to FEI members; \$49.95 for non-members, however...

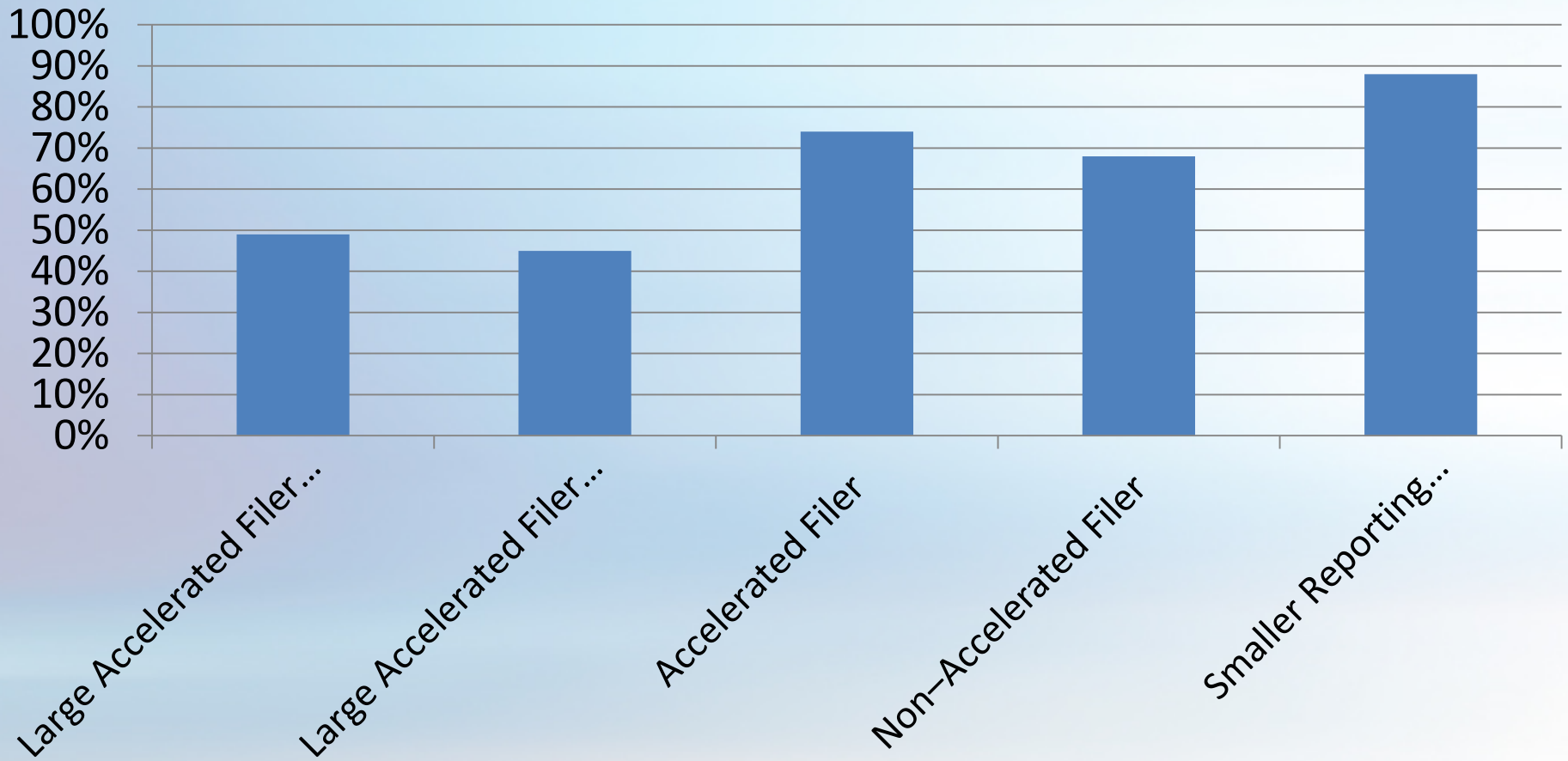
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Q52: Satisfied with Provider?



Q33:Continue with Current Process?



Continue with Current Process?

If switching, what do you plan to change to?

XBRL Filing Status	SEC Filing Status	Bringing In-House/ Software Solution	Outsourcing	Undecided
TIER 1	Large Accelerated Filer	100%	—%	—%
TIER 2	Large Accelerated Filer	90%	5%	5%
TIER 3	Accelerated Filer	100%	—%	—%
	Non-Accelerated Filer	100%	—%	—%
	Smaller Reporting Company	100%	—%	—%

A Deeper Dive into the Data

- Independent Variables (Survey)
 - Size: Revenue
 - Complexity: International Ops & # of business units
 - Service provider
 - XBRL filing bottleneck
 - In-house vs. outsourcing
 - Resources (e.g., training, FAQs, etc.)
 - Preparation hours
 - XBRL familiarity
 - Concerns (associated with XBRL)
 - Pencils down
 - Level of tagging
 - Delayed filing date (caused by XBRL)
 - Filing errors or issues

A Deeper Dive into the Data

- Independent Variables (Outside)
 - External auditor
 - Audit fee/client revenue
 - Non-audit fee/audit fee for client
 - XBRLCloud.com
 - Numbers of errors related with EDGAR Filing Manual
 - Numbers of errors related with US GAAP Architecture
 - % Extension tags

Results

	Plan to Continue to Use Current Process (CONT)		
Satisfied with Current Provider (SAT)	NO	Don't Know	YES
Not Very Satisfied	62.16%	24.32%	13.51%
Somewhat Satisfied	30.53%	28.42%	41.05%
Very Satisfied	17.92%	9.25%	72.83%

Results: Satisfied w/Provider

	Very Satisfied	Not Very Satisfied
XBRL Providers	WebFilings	Rivet, Thomson
XBRL Creation (FOUT and INTERNAL) (Question #30)	Irrelevant	Outsourced entire process (FOUT)
Hours to review and coordinate with outsourcing provider (OUTHOUR) (Question #32)	Less than 80 hours	More than 80 hours
XBRL Resources (Question #36)	<ul style="list-style-type: none"> - XBRL US FAQs or other web tools (FAQ) - Educational webinar (WEBIMAR) 	<ul style="list-style-type: none"> - Review of competitor or industry public company filings (COMPETITOR)
Questions about XBRL tagging (Question #38);	<ul style="list-style-type: none"> - Developments regarding auditors responsibility for XBRL formatted financial statements (DEVELOP) 	<ul style="list-style-type: none"> - More information on how to do detailed footnote tagging (FOOTNOTE)
Biggest concerns (Question #46)	<ul style="list-style-type: none"> - Not enough resources, e.g., staff, time (NORES) 	<ul style="list-style-type: none"> - Need to get educated (NEEDEDU) - Availability of help and support services (AVAL)
"Pencils down" policy (PENCIL) (Question #49);	'No "pencils down" policy' or 'Less than 24 hours to filing time'	3 or more business days to filing time
Did the company experience any errors or issues during the preparation of XBRL document? (ERROR)	NO	YES
BIG4	Non-Big 4	Big 4

Results: Continue w/ Process

	Will Continue	Will Not Continue
SEGMENT= Complexity measured by number of reportable business segments (Question #5)	Less segments	More segments
XBRL Providers	Donnelly and Merrill	Irrelevant
XBRL Creation (FOUT and INTERNAL) (Question #30)	Completely internal process (INTERNAL)	Irrelevant
Hours to review and coordinate with outsourcing provider (OUTHOUR) (Question #32)	Less than 80 hours	More than 80 hours
XBRL Resources (Question #36)	Irrelevant	- Review of competitor or industry public company filings (COMPETITOR)
Questions about XBRL tagging (Question #38)	- Developments regarding auditors responsibility for XBRL formatted financial statements (DEVELOP) -What is readiness of market for XBRL data (READINESS)	- How to post rendered document (RENDER)
Relationship with auditors measured by audit fees divided by the company's revenue (AFEE) and measured by non-audit fees divided by the audit fees (OFEE)	Less non-audit services (OFEE)	Greater non-audit services (OFEE)

Questions/Suggestions?

Thank You

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