Dutch approach to SBR Assurance

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XBRL

Agenda

1. Standard Business Reporting in the Netherlands

2. Why SBR assurance

3. An update on the approach to SBR Assurance

4. Next steps

Disclaimer:
Please note that although the authors are actively involved in the SBR assurance project, this presentation only reflects their personal views about the status of this project, not the official position of their employers nor the NBA

Standard Business Reporting

1. Standardize the entire reporting chain
   1. Data -> XBRL
   2. Processes -> BPMN, BPEL
   3. Technologies -> SOAP etc.
2. Goal is administrative burden reduction
3. SBR <u>replaces</u> all paper-based filings
4. Harmonization and rationalization of relevant laws and regulations

SBR in the Netherlands

1. Public/private sector program since 2007

2. Central government coordinates -> Ministries of Finance, Economic Affairs, Interior, Justice

3. Government agencies execute -> Logius and Belastingdienst

4. Private sector actively engaged at all levels in decision-making

Dutch SBR taxonomy

1. The Dutch SBR Taxonomy Architecture

    - Multi-domain, multi-party development

    - Prescribes how to use of the XBRL specification

   - Extensions allowed but strictly controlled

2. The Dutch SBR Taxonomy

    - Existing scope: Annual accounts, Tax filings, Economic statistics, Credit reports

    - Future scope: Healthcare, Education, Agriculture, Subsidies, Pensions, Tax compliance, Local govt.

    - Collaborative development, central management

    - Not complex, only limited use of dimensions

SBR mandate timelines

Phase 1 (2013)

Corporate and personal income tax statements (VpB and IB)
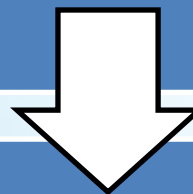
Phase 2 (2014)

Non-audited annual accounts, value-added tax statements (OB), trade statistics

Phase 3 (2015-onwards)

Audited annual accounts

SBR Assurance requirements

1. Enable a digitally readable version of the auditor report to be attached to SBR annual accounts

2. Pre-empt 'implicit assurance' situations

3. Enable hybrid forms of assurance over one report, prompted by trends like Integrated Reporting and tax control frameworks

4. Accommodate insights into future assurance requirements; evolution from report -> data level

5. Must be as 'international' and generic as possible

Assurance over what?
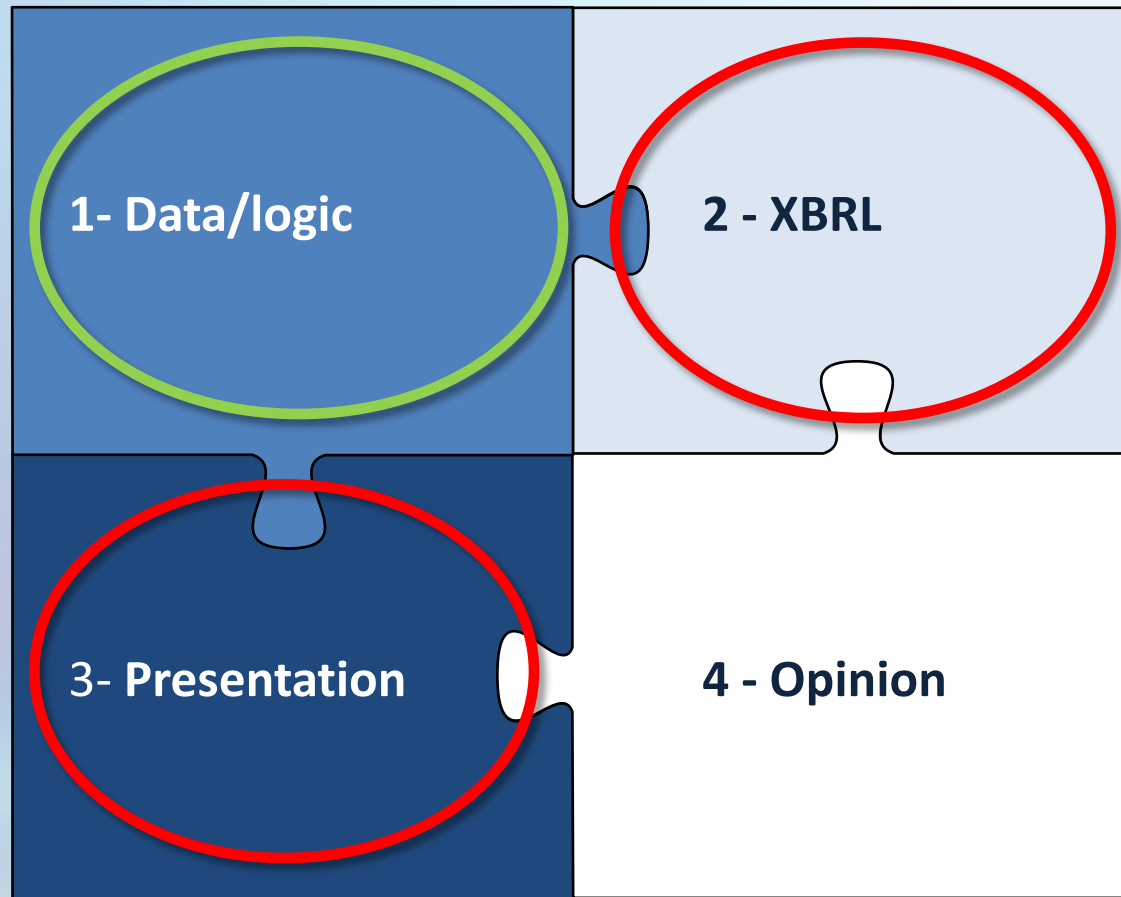
The SBR assurance project

At the request of the SBR program, the Dutch Institute of Chartered Accountants ('NBA') develops the following :

A. Conceptual solution "SBR assurance" (accepted)

B. Practice guide for auditors (in progress)

C. NBA taxonomy for SBR assurance (NBAT, bèta)

D. Specifications for validation and normative presentation (VNP, in progress)

E. Tools for VNP (subject to discussion)

F. Approach for Proof-of-Concept and pilot projects (in progress)

SBR Assurance solution
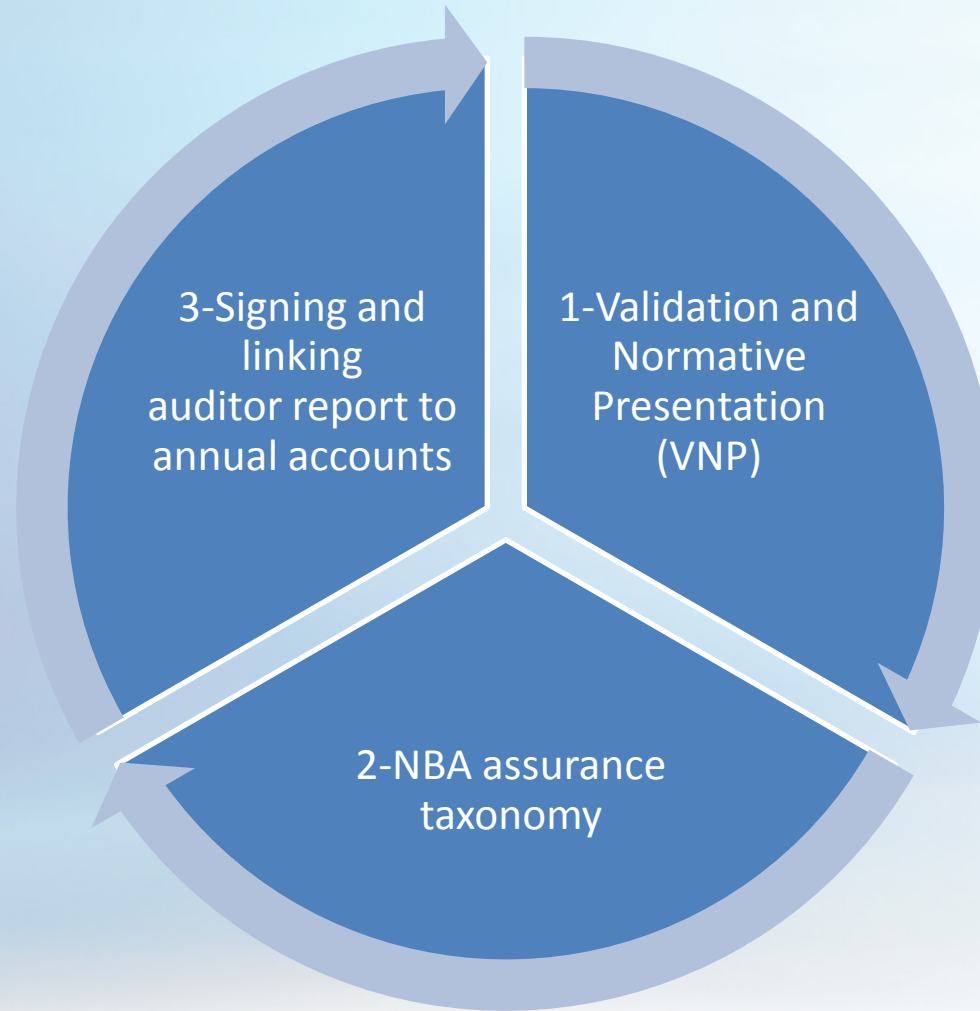
Validation & Normative Presentation
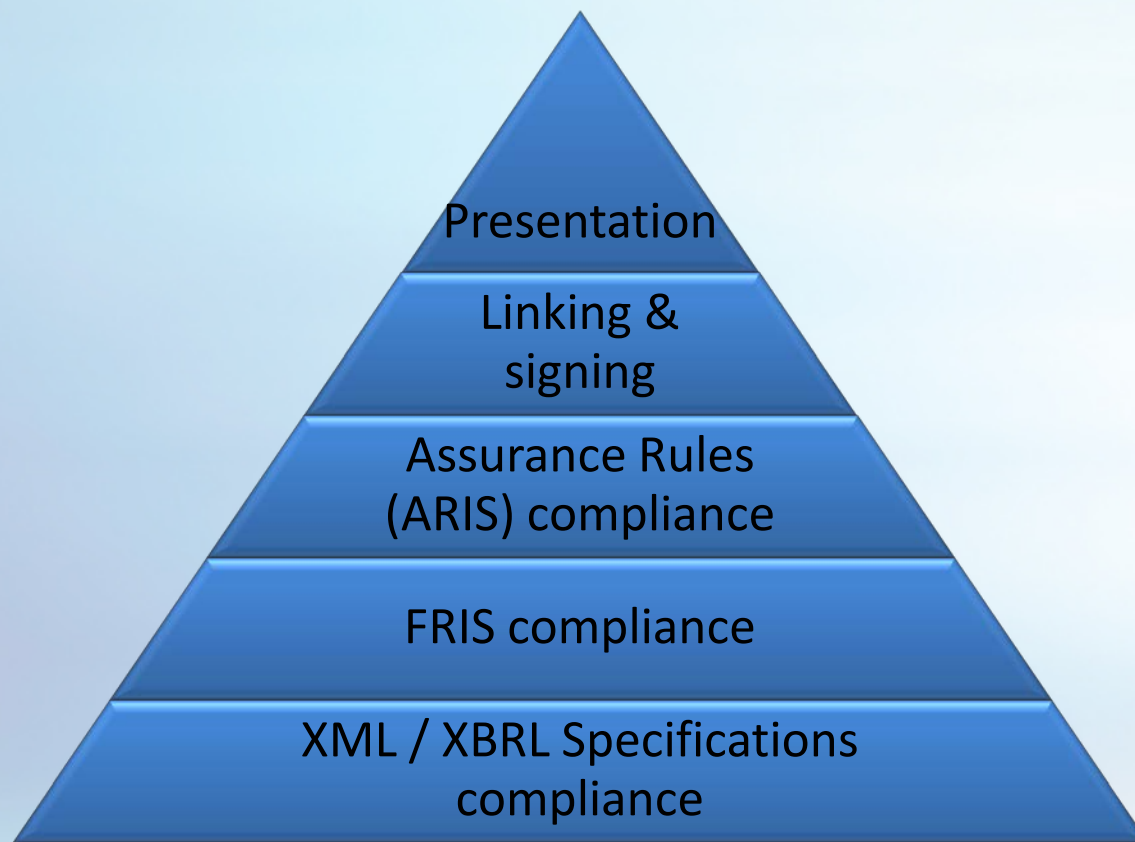
The specifications for validation and rendering solutions to:

- Validate SBR annual accounts and SBR auditor reports in XBRL format

- Present SBR annual accounts in a consistent (human readable) manner in accordance with the Dutch Civil Code and commonly used reporting models supporting a true and fair view opinion

- Present SBR auditor reports in an ISA consistent and human readable manner

The "assurance stack"

Presentation

Linking & signing

Assurance Rules (ARIS) compliance

FRIS compliance

XML / XBRL Specifications compliance

In essence: the set of <u>criteria</u> for validation and presentation of SBR Annual Accounts and SBR Auditor Reports (re the AICPA "Principles & Criteria for XBRL Formatted Information")

FRIS compliance
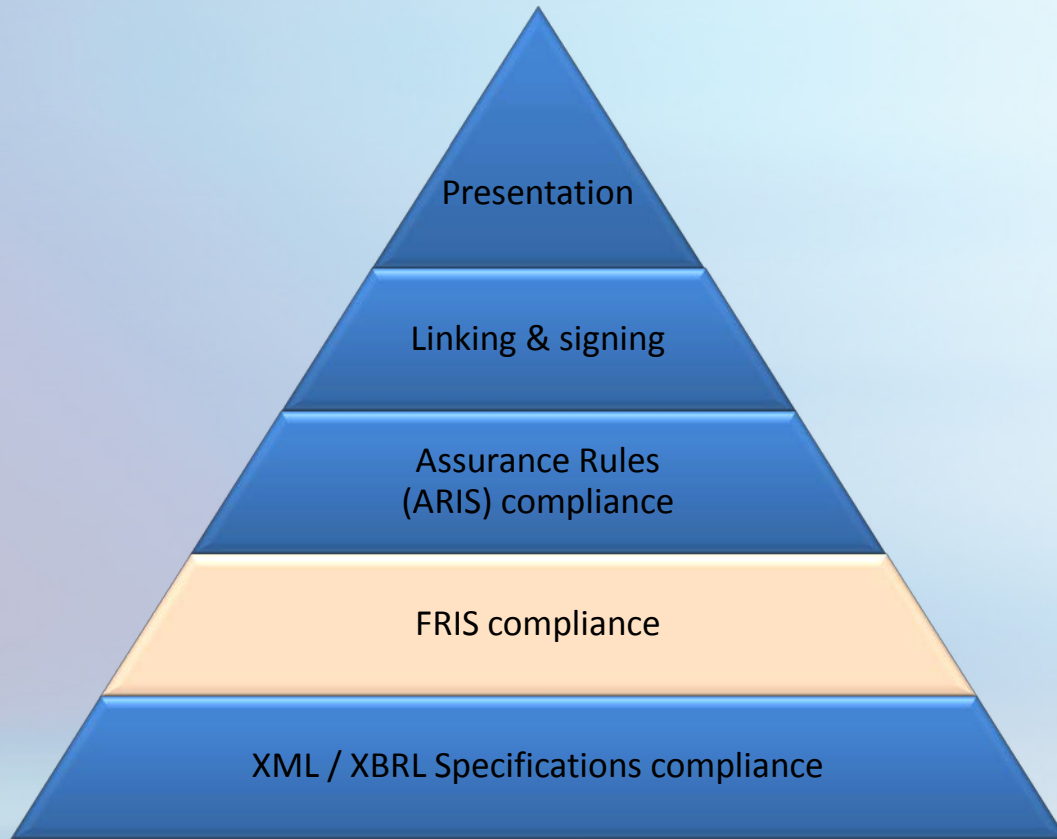
- International FRIS
- SBR FRIS
- SBR Chamber of Commerce FRIS
- NBA FRIS
- … FRIS

Pyramid levels (top to bottom):
- Presentation
- Linking & signing
- Assurance Rules (ARIS) compliance
- FRIS compliance
- XML / XBRL Specifications compliance

Assurance rules

Presentation

Linking & signing

Assurance Rules (ARIS) compliance

FRIS compliance

XML / XBRL Specifications compliance
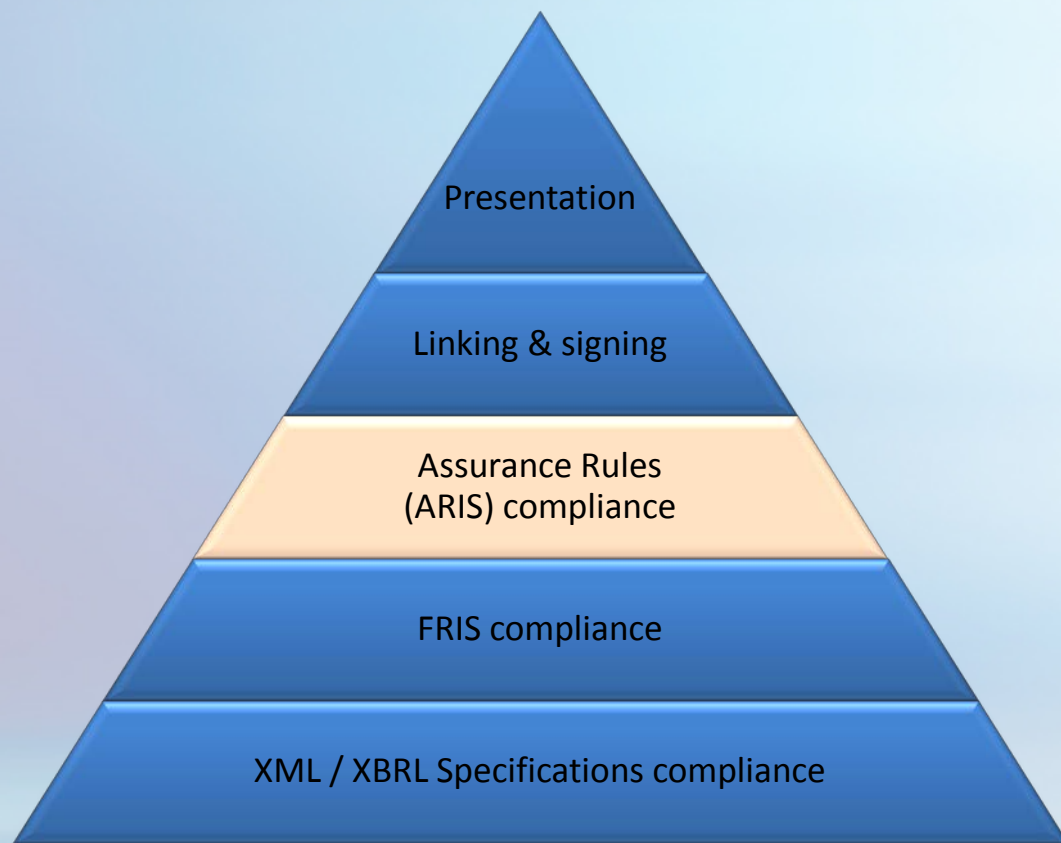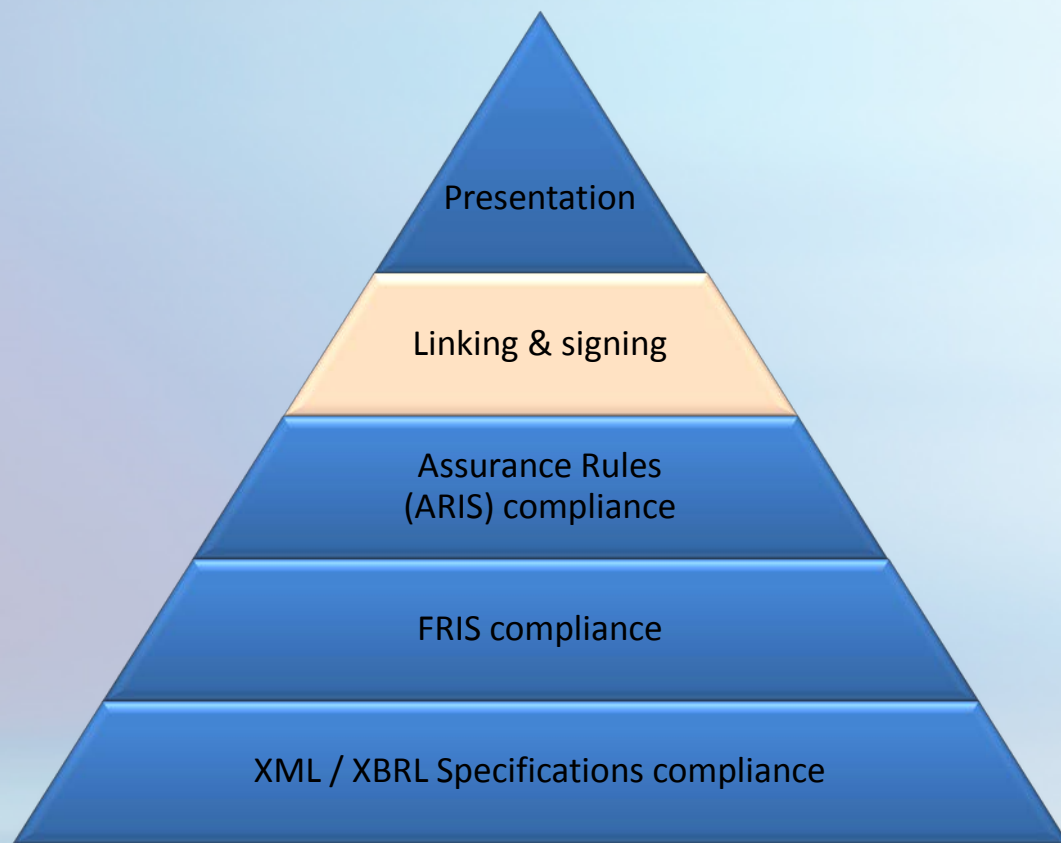
- Completeness and consistency of SBR annual accounts instances
- Completeness and consistency of SBR auditors report instances

Linking & signing

Presentation

Linking & signing

Assurance Rules (ARIS) compliance

FRIS compliance

XML / XBRL Specifications compliance
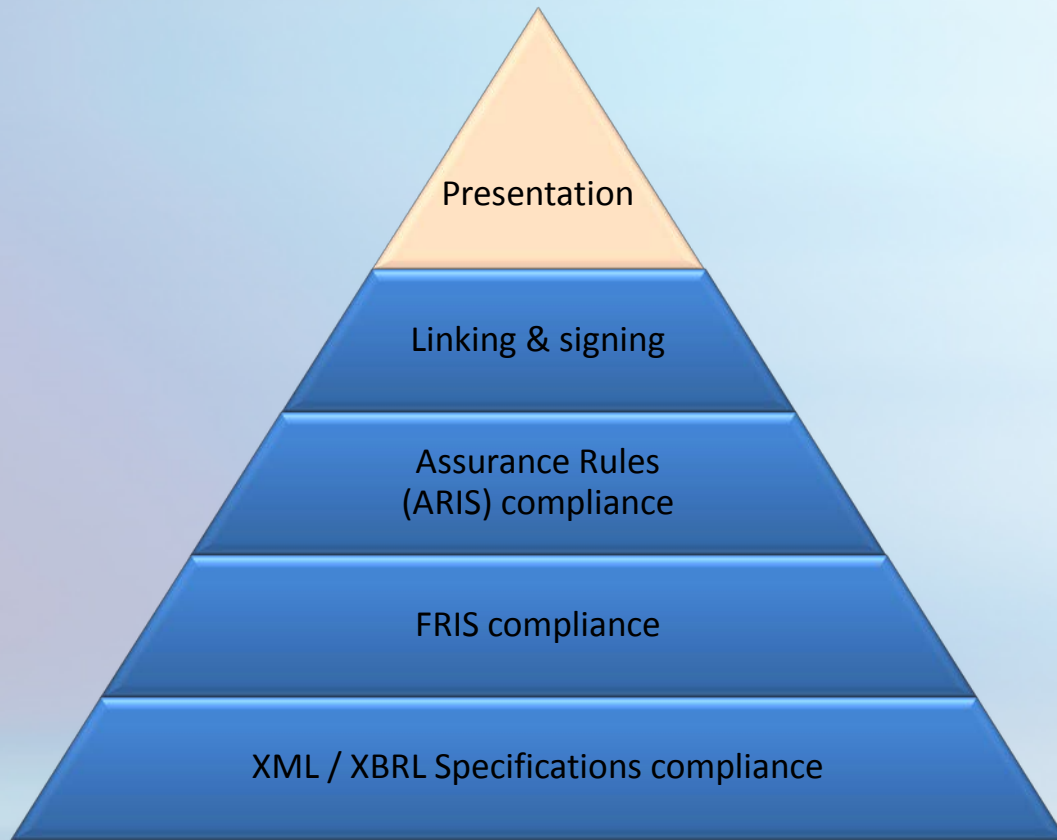
- Linking the auditors report to the annual accounts
- Signing & sending to the Chamber of Commerce

Presentation

Presentation

Linking & signing

Assurance Rules (ARIS) compliance

FRIS compliance

XML / XBRL Specifications compliance
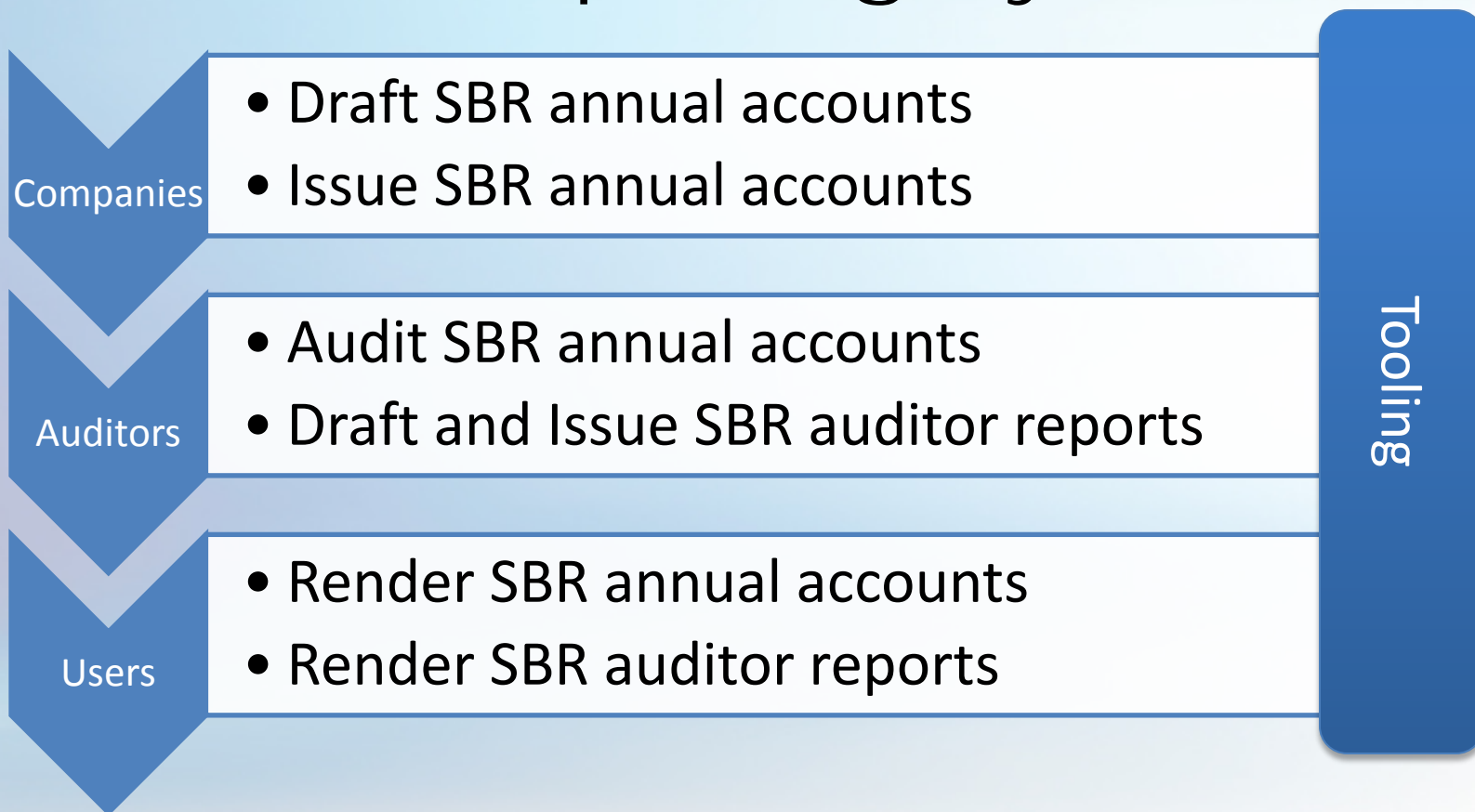
- Criteria for the complete & consistent rendering of SBR annual accounts and SBR auditors reports

The assurance stack in the reporting cycle
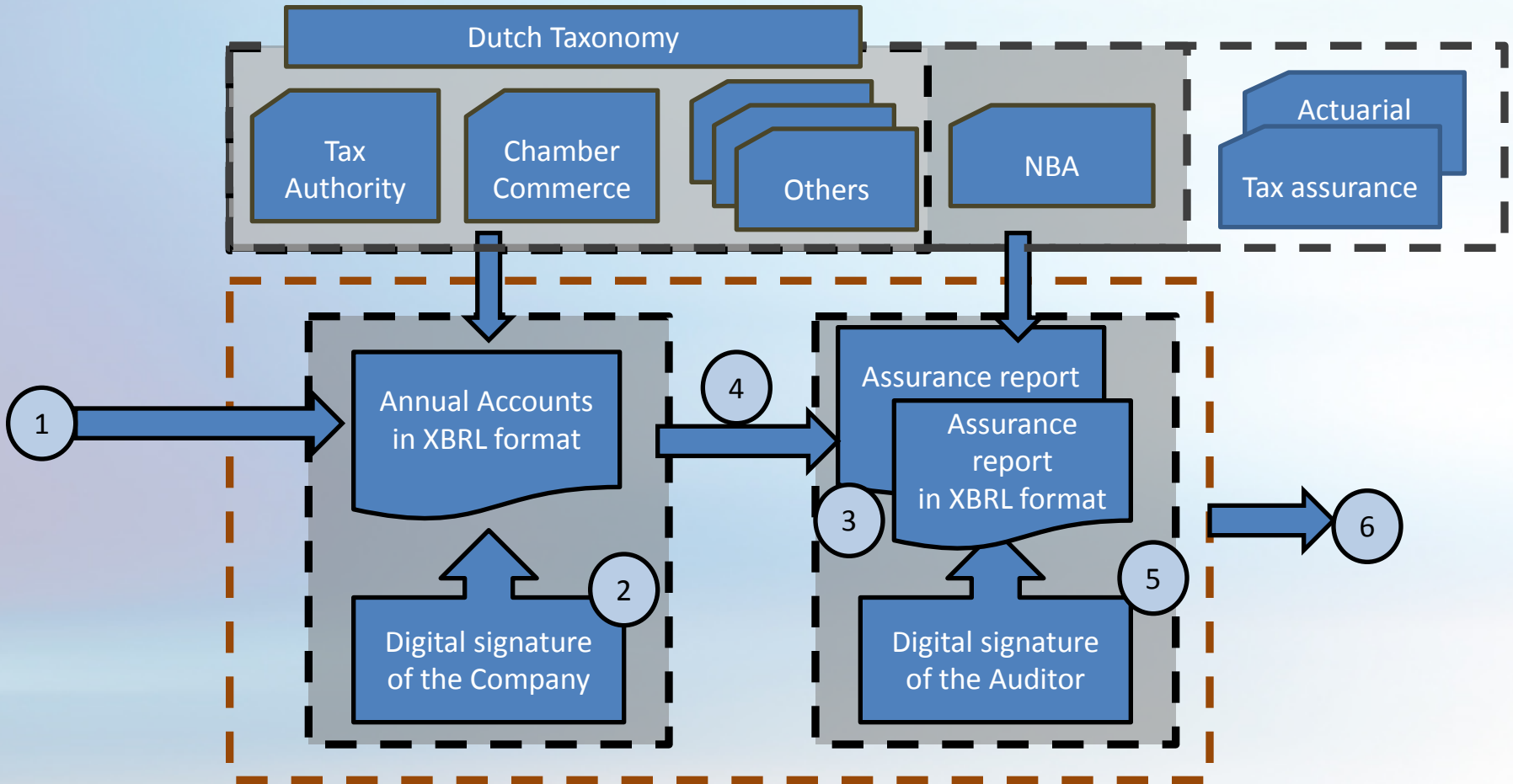
Companies
- Draft SBR annual accounts
- Issue SBR annual accounts

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

Users
- Render SBR annual accounts
- Render SBR auditor reports

Tooling

NBA Assurance Taxonomy

1. The NBA has published for consultation the beta version of the NBA taxonomy on their website -> http://www.nba.nl/sbr-assurance

2. The download contains not only the taxonomy files but also documentation in Dutch <u>and</u> English

3. Currently the taxonomy supports 3 types of auditor reports (audit, review and compilation)

4. The taxonomy is to be used in combination with an external source of texts for the auditor reports. The NBA will modify their existing auditor report generator to perform this role, but its use will not be mandatory

NBA Assurance Taxonomy

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
▼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
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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
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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
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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
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▼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 C
Disclaimer to the auditor's report	String	
Type of hash function	HashFunction	
Hash value of the subject matter	String	

Linking& Signing

Dutch Taxonomy

Tax Authority

Chamber Commerce

Others

NBA

Actuarial

Tax assurance

1 → Annual Accounts in XBRL format

2 → Digital signature of the Company

4 → Assurance report / Assurance report in XBRL format

3

5 → Digital signature of the Auditor

6

Practice guide

1. Developed and maintained by NBA working group
2. Aimed at supporting auditors that have to perform assurance engagements in an SBR environment
3. Does not prescribe, but gives practical guidance about all aspects of SBR assurance work
4. Is structured following the 'natural' steps of an assurance engagement
5. Incorporates much relevant work already done by other organizations

International input

Organization	Regulations / publications
American Institute of Certified Public Accountants (AICPA)	• SoP 09-1: Performing Agreed-Upon Procedures Engagements that Address the Completeness, Accuracy, or Consistency of XBRL – Tagged Data, 2009 • CAQ Alert 2009-55, 2009 • XBRL Update; Observations and Recommendations for XBRL Implementations, December 2010 • AICPA AT Section 9101.5 Attest Engagements on Financial Information Included in eXtensible Business Reporting Language Instance Documents, 2010 • Avoiding Common Errors in XBRL Creation, 2010 • Better Data for Better Decisions: Standards to Improve Corporate Government Reporting, 2011 • Principles and criteria for XBRL formatted information, 2012
Public Company Accounting Oversight Board (PCAOB)	Staff Q&A: Attest engagements regarding XBRL financial information furnished under the XBRL voluntary financial reporting program on the EDGAR system
Institute of Chartered Accountants in England and Wales （ICAEW）	Technical release: guidance for performing agreed upon procedures engagements that address XBRL-tagged data included within financial statements prepared in iXBRL format, June 2011
International Auditing and Assurance Standards Board (IAASB) in IFAC	• Leveraging XBRL for value in organizations, 2011 ISACA and IFAC • XBRL: The emerging landscape, 2010. • IAASB Strategy and Work Program, 2012–2014, nr. 43
Independent Regulatory Board for Auditors (IRBA)	Proposed South African Standard on Assurance Engagement (SASAE) 3501: Assurance Engagements on eXtensible Business Reporting Language (XBRL)
The Institute of Chartered Accountants of India (ICAI)	Guidance Note on Certification of XBRL Financial Statements
Japanese Institute of Certified Public Accountants (JICPA)	IT committee research report "The Agreed-Upon Procedures For XBRL Data" (Exposure Draft)

Consultation

1. The NBA is very transparent of this project and actively consults and informs its members and external stakeholders via their website -> http://www.nba.nl/sbr-assurance

2. Currently, the beta version of the NBA taxonomy is available for download

3. Publication and consultation of the draft VNP and practice guides is expected in the coming months

4. Progress of the PoC and pilot projects can also be monitored via NBA website

Next steps

- Q2-2013: Consultation of the NBA specified criteria for the validation & normative presentation and the linking and signing mechanism

- Q3/Q4-2013: Proof of concept with key players (software developers, portal suppliers, accounting firms and the Chamber of Commerce

- Q1-2014: first voluntary use by early (piloting) adopters

Questions