XBRL: What’s in it for Internal Auditors*

April 1, 2010

*connectedthinking
Discussion Agenda

What do Internal Auditors need to know about XBRL?

What are the key risks introduced by the SEC XBRL Mandate?
And what Internal Auditors should do about them.

How does XBRL impact common audit processes and functions (for all companies)?
And how Internal Auditors can benefit from these.

Where should you go to learn more?
What do Internal Auditors need to know about XBRL?
What is XBRL?

International Supply Chain standardization effort

- Freely available international business information format standard
- Designed specifically to address pervasive process problems
- Applicable to business information, presentation alternatives, related resources, business rules, formulas, controls, processes, etc.

“Bar Code” for Business Information
- Adds structure (meaning) to business information
- Enhances processing and reuse
- Disclosure neutral
- Taxonomies freely available for: US/IFRS GAAP, BASEL II, other statutory GAAP, MD&A, Corporate Social Responsibility, Global Reporting Initiative, Proxy, Mortgage Backed Securities, Corp. Actions, Ledgers/subledgers, KPIs, other non-financial measures

Examples:  Traditional  Rendered XBRL  Raw XBRL

http://www.xbrl.org  and  http://xbrl.us
Before the UPC

Manual inventory management (vs. automated replenishment (today))
9,000 inventory units (vs. 36,000 today)
Costly check-out processes (vs. consumer self check-out today)
No customer buying information (vs. behavioral marketing today)
Where is it relevant?
All along the supply chain

The XBRL Global Ledger provides a standardized method of describing a wide range of internal ledgers and sub-ledgers

The business reporting supply chain

Processes

Transaction Layer
Business Operations
SWIFT
ACORD
MISMO
FPML
Others

Internal Business Reporting
SCOA Payables Ledger
Receivables Ledger
Fixed Asset Ledger
Others

External Business Reporting

XBRL Global Ledger

XBRL External Reporting

Local GAAP
IFRS
GRI G3
WICI
KPI’s

Investment, Lending, Regulation

Economic Policymaking

Others include: Corporate Actions, Mortgage Backed Securities, Risk & Return, Governance/Risk & Compliance, etc.
Why XBRL as opposed to other methods?

- Multi-dimensional business and financial representations
- Presentations enable 1 to many relationship
- References enables explicit relationships
- Standardized Formulas offer new capabilities
How Taxonomies work
Interoperable components (i.e. Lego Blocks)

Entity specific
Country/territory specific
International collaborative effort

Collaboration on common concepts reduced development and maintenance costs and promotes comparability.
Crossing the Chasm – the Internet example

Internet users as percentage of population
People with access to the Internet per 100 inhabitants. [More info »]

Data source: World Bank - Last updated February 19, 2010

$64 Million Question – What is the timeline for XBRL adoption?
Gartner Hype Cycles (Regulatory & BI)

Figure 1. Hype Cycle for Business Intelligence and Performance Management, 2009

Expectations:
- Financial Reporting With XBRL
- Entity Resolution and Analysis
- SaaS: Business Intelligence
- Information Infrastructure
- SOA-Based Analytic Applications
- Product Performance Management
- Enterprise Information Management Programs
- Sales Performance Management
- Closed-Loop Performance Management
- Marketing Performance Management
- Product Portfolio Optimization
- Integrated Business Planning
- Supply Base Management
- Collaborative Decision Making
- Enterprise Metadata Taxonomy and Ontology Management
- Data Discovery Tools
- Price Optimization and Management for B2B

Source: Gartner (July 2009)
What are the key risks introduced by the SEC XBRL Mandate? And what Internal Auditors should do about them.
## US SEC Mandate Summary

### Three year phase-in

<table>
<thead>
<tr>
<th>Adoption summary for corporate filers</th>
<th>Periods ending after June 15, 2009</th>
<th>Periods ending after June 15, 2010</th>
<th>Periods ending after June 15, 2011 (1)</th>
</tr>
</thead>
</table>
| **A. Large Accelerated Filers w/ public float > $5B (~ Fortune 500)** | Year 1 – structure amounts in financial statement tables in detail and notes to financial statements in 'block text'. Roughly 300 disclosure elements. | Year 2 - structure amounts in financial statement tables and individually tag each significant accounting policy, table within a footnote and each quantitative amount within a footnote. Roughly 3,000+ disclosure elements. | Same as year 2.  
Limited liability provisions are scheduled to be lifted by the SEC after 2nd year. Companies may desire more comfort on processes and controls. |
| **B. Balance of Accelerated Filers with public float > $700m (~ next 1,600 largest public companies)** | Early Adoption available. > 50 early adopters to date | Year 1 – structure amounts in financial statement tables in detail and notes to financial statements in 'block text'. Roughly 300 disclosure elements. | Year 2 - structure amounts in financial statement tables and individually tag each significant accounting policy, table within a footnote and each quantitative amount within a footnote. Roughly 3,000+ disclosure elements. |
| **C. Balance of public companies (including FPIs under IFRS)** | Early Adoption available. | Early Adoption available. | |

(1) – SEC Mandate also impacts all Mutual Fund risk & return disclosures starting in June 2011.
Where is it being used?
Adoption accelerating around the world

Equity Market Regulators
- Voluntary – CA, ZA w/ projects underway in IL, Dubai, EU CESR

Financial Services Regulators
- Mandated – AR, AU, BE, CL, ES, FR, JP, LU, IN, MX, MY, PL, US
- Voluntary – NL, NZ
- **EU CEBS BASEL II Project**

Other Market Regulators
- Mandated – AU, AR, BE, CL, CN, DE, ES, FR, IT, JP, KR, LU, IN, IL, MY, MX, **UK**, US
- Voluntary – AU, CN, DK, LU, IL, NL, NZ, PL, SE, SG,

Standard Business Reporting (multi agency collaboration)
- AU, BE, NL, NZ, SG, PL, CN
What does the Mandate Require?
Migration from unstructured to structured documents

**US SEC**

Year 1 - structure amounts in the basic financial statement tables, the supplemental f/s schedules and notes to financial statements in 'block text'. Roughly 300 disclosure elements.

Year 2 - structure amounts in financial statement tables, the supplemental f/s schedules, individually tag each significant accounting policy, table within a footnote and each quantitative amount within a footnote. Roughly 3,000+ disclosure elements.

Volume and complexity of year 2 requirements increase 10X; complexity maybe more so as companies need to extend taxonomies with dimensional aspects

Company development and maintenance of unique company specific disclosure extensions

Timely submission on same schedule as traditional 10K/10Q filings

Concurrent posting of XBRL documents to company website

**UK HMRC** (and Other Countries) have mandated XBRL filings for:

Corporate Tax returns and statutory account f/s for periods ending after March 31, 2010

All reporting entities – both public and private companies
Figure 1. Technology-Oriented Scenarios

Vendor support for XBRL

High
Low

Bolt-on
- Rivet Dragon Tag
- Fujitsu XWand

Outsource
- Printers
- Boutique companies

Embed
- Clarity's FSR
- Trintech’s Unity Suite

Bolt-on
- Rivet Dragon Tag
- Fujitsu XWand

Expanded XBRL Disclosure Requirements

Outsource — Use outside service provider to produce XBRL formatted reports.
Bolt-on — Implement software solutions to "map" financial statements into XBRL.
Embed — Implement software solutions to integrate XBRL into the closing process.

Market forces affecting the above:
1. Expanded disclosure is likely.
2. Expanded disclosure will make the market for bolt-on and embedded XBRL more attractive to software vendors.

Source: Gartner (February 2009)

More tools listed on [http://www.xbrl.org/tools](http://www.xbrl.org/tools) and [http://xbrl.us/vendors/Pages/default-expand.aspx](http://xbrl.us/vendors/Pages/default-expand.aspx)
Considerations for XBRL submissions

Compliance with the Edgar Filer Manual
- 200+ fairly complex technical rules; some require financial reporting judgments
- some validation rules are included within the SEC filing processes

Preparation and review processes and controls
- Start early and consider a ‘test’ run submission
- Knowledge of company fin statements more relevant than XBRL expertise
- Adjust reporting timeline to accommodate XBRL submission process
- Focus early on company specific taxonomy extension(s) to USGT
- Consider assessment of EDGAR Filer Manual rule compliance
- Internal reporting validation and analytical rules and controls

Consider SEC test filing to assess ‘some’ validation rules
Consider SEC Previewer to assess presentation views
Risk Considerations

Untimely filing
Taxonomy selection
Tagging accuracy and consistency
Appropriateness of company specific extensions
Completeness of XBRL submission (e.g. supplemental schedules)
Tagging granularity of note disclosures
Labels consistent with traditional filings
Calculation rules
Presentation rules (e.g. ‘Joe Friday’ rendering rule)
Compliance w/ EDGAR Filer Manual Rules
Year 2 detail tagging of note disclosures (Complexity & Volume)
Others
Factors cited in amendments
Sample risks to consider

Sample explanations from amended XBRL submissions:

• Error in # of shares outstanding
• Schedule II, “Valuation and Qualifying Accounts” was inadvertently omitted from the interactive data submission
• Schedule II, “Valuation and Qualifying Accounts – Allowance for Doubtful Accounts” was inadvertently omitted from the interactive data submission
• Revised to eliminate the XBRL data formatting issues
• ...errors in a table in the Investment Securities note (Note 3) to the condensed, consolidated financial statements caused by technical transmission failures
• inadvertently excluded certain tables that have been included in this corrected Exhibit 101........ (all of them)
• Others
<table>
<thead>
<tr>
<th>Assertions</th>
<th>Procedure Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification and Version of Taxonomies</td>
<td>The taxonomies selected are appropriate for the entity’s intended purpose and have been used in creating the XBRL Exhibit.</td>
</tr>
<tr>
<td>Tagging is Accurately and Consistently Applied</td>
<td>The tags and related contextual structuring attributes accurately reflect the corresponding item in the source document (financial statements) and are consistently applied.</td>
</tr>
<tr>
<td>Creation of Company-Specific Extensions</td>
<td>Customized extensions have been created only when no element exists in the specified base taxonomy(ies) or modules that are the same as or accurately reflect a specified element in the source document.</td>
</tr>
<tr>
<td>Completeness of XBRL Exhibit</td>
<td>All data in the source document that is required to be tagged is included in the XBRL Exhibit.</td>
</tr>
<tr>
<td>Granularity of Tagging of Note Disclosures</td>
<td>Footnote disclosures are tagged at the level required.</td>
</tr>
<tr>
<td>Labels and Label Linkbase</td>
<td>Labels in the label linkbase accurately reflect respective captions in the financial statements.</td>
</tr>
<tr>
<td>Calculations and Calculation Linkbase</td>
<td>Calculations in the XBRL instance document and in the calculation linkbase are complete and accurate.</td>
</tr>
<tr>
<td>Presentation and Presentation Linkbase</td>
<td>The presentation of line items as indicated in the presentation linkbase is consistent with the respective presentation of those items in the source document.</td>
</tr>
</tbody>
</table>
Cumulative Extensions By Company

Source: XBRL US
Key implementation considerations

Taxonomy Use

Deferred Tax Assets, Net, Current

Labels

- **Role**: Standard Label
- **Lang**: en-US
- **Label**: Deferred Tax Assets, Net, Current

Documentation (en-US)
The current portion of the aggregate tax effects as of the balance sheet date of all future tax deductions arising from temporary differences between tax basis and generally accepted accounting principles basis recognition of assets, liabilities, revenues and expenses, which can only be deducted for tax purposes when permitted under enacted tax laws; after deducting the allocated valuation allowance, if any, to reduce such amount to net realizable value. Deferred tax liabilities and assets shall be classified as current or noncurrent based on the classification of the related asset or liability for financial reporting. A deferred tax liability or asset that is not related to an asset or liability for financial reporting, including deferred tax assets related to carryforwards, shall be classified according to the expected reversal date of the temporary difference. An unrecognized tax benefit that is directly related to a position taken in a tax year that results in a net operating loss carryforward should be presented as a reduction of the related deferred tax asset.

References

- **Role**: Presentation Reference
- **Label**: Deferred Tax Assets, Net, Current
- **Name**: Statement of Financial Accounting Standard (FAS)
- **Number**: 109
- **Paragraph**: 41, 42, 43
- **Publisher**: FASB

Tools

Search: deferred current income tax assets

DeferredTaxAssetsNetCurrent
Company-Specific Extensions

Company-specific financial statement line items may not be included in the US GAAP Taxonomy

Companies can create an ‘extension’ in a new list of tags for company-specific disclosures

Example:
- Change in label (e.g., Gross profit/margin)
- Specific business segment

Some decisions on whether to create extensions will require judgment
Gross Profit (example)

- Multi-dimensional business and financial data representations
- Flexibility of business
- Mathematical relationships between concepts
- Flexibility about how to present information to users

Key: From standard taxonomy

Custom taxonomy

Instance document
SEC Staff Observations
On initial submissions

Staff Observations From Review of Interactive Data Financial Statements

- Rendering
- Element Selection
- Contextual References
- Negative Values and Negated Labels
- Decimals
- Other Observations
Edgar Filer Manual Compliance
Learning's and observations on initial XBRL submissions

- Filers need to exclude all Reference linkbases, as well as links to other linkbases (from the standard taxonomies), from their submissions
- Labels must match the traditional ASCII/HTML
- Standard elements vs. company specific extensions (broader and/or narrower)
- Element naming s/b ‘standardized’ and not include company/period specific terms
- Disclosures in (parenthesis) should be separately tagged and placed in their own section for each financial statement
- Numbers with parentheses on the printed page must be examined carefully to determine if they should be entered as negatives or using a negated label
- Text blocks need to be XHTML
- The representation of tables, stock classes and certain other information require a Definition linkbase
Sample Note Disclosures
In year 2 - all Amounts should be mapped to the US GAAP Taxonomy

We measure certain financial assets and liabilities at fair value on a recurring basis. The fair value of these financial

Goodwill by reportable segment, as of November 27, 2009 was as follows (in thousands):

<table>
<thead>
<tr>
<th>Segment</th>
<th>2008</th>
<th>Acquisitions</th>
<th>Other(*)</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creative Solutions</td>
<td>$ 956,011</td>
<td>$ 253,463</td>
<td>$ 1,126</td>
<td>$ 1,210,600</td>
</tr>
<tr>
<td>Knowledge Worker</td>
<td>408,318</td>
<td>—</td>
<td>2,255</td>
<td>410,573</td>
</tr>
<tr>
<td>Enterprise</td>
<td>298,039</td>
<td>—</td>
<td>(4,310)</td>
<td>293,729</td>
</tr>
<tr>
<td>Platform</td>
<td>265,518</td>
<td>—</td>
<td>(398)</td>
<td>265,120</td>
</tr>
<tr>
<td>Print and Publishing</td>
<td>206,844</td>
<td>—</td>
<td>(311)</td>
<td>206,533</td>
</tr>
<tr>
<td>Omniture</td>
<td>—</td>
<td>1,108,034</td>
<td>—</td>
<td>1,108,034</td>
</tr>
<tr>
<td><strong>Goodwill</strong></td>
<td><strong>$ 2,134,730</strong></td>
<td><strong>$ 1,361,497</strong></td>
<td><strong>$ (1,638)</strong></td>
<td><strong>$ 3,494,589</strong></td>
</tr>
</tbody>
</table>

(*) Includes net reductions in goodwill of $5.2 million for tax related obligations associated with our acquisitions of Macromedia and Accelio in addition to a facility lease obligation adjustment of $1.7 million related to Macromedia, offset in part by foreign currency translation adjustments and other individually insignificant tax items.

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>straight-line portion of which are</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity and fixed income mutual funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal for deferred compensation plan</td>
<td>8,328</td>
<td>8,328</td>
</tr>
<tr>
<td>assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>9,045</td>
<td>12,635</td>
</tr>
<tr>
<td></td>
<td>50,473</td>
<td>37,121</td>
</tr>
<tr>
<td></td>
<td>$ 1,879,837</td>
<td>$ 912,595</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency derivatives(*)</td>
<td>$ 1,589</td>
<td>$ 1,589</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$ 1,589</td>
<td>$ 1,589</td>
</tr>
</tbody>
</table>
How common preparation and review processes will be impacted in year 2

1. Develop procedures and controls
   - Complexity increases significantly; needed expertise regarding XBRL and EFM much higher

2. Coordinate Hand-off and Timing
   - More items likely to change at the last minute; more iterations to complete
   - More lead-time necessary to do work

3. Identify concepts to be tagged
   - Volume of items increases significantly – perhaps ten-fold
   - Must identify tables
   - Must identify numbers – and even numbers as text, within narrative text

4. Extend Taxonomy
   - Volume and precision necessary to identify of items increases significantly
   - Number of presentation roles increases significantly
   - Complexity – especially dimensional tables – skyrockets
How common preparation and review processes will be impacted in year 2

5. Map concepts to taxonomy
   - Volume increases
   - Mapping is now to line item/domain member intersection, not just line item (dimensional tables)

6. Create Instance
   - Number of contexts, volume of entries, complexity of matching values to line item/context (segment/dimension) increases significantly
   - Making small changes later more difficult due to sheer volume of content

7. Test submission
   - SEC has announced more extensive validation testing (and risk of rejection) as part of submission process
   - With increasing complexity, more EFM rules will become important; errors will be more difficult to understand and correct
How common preparation and review processes will be impacted in year 2

8. Test rendering
   - With increase in presentation roles that include individual facts not synchronized with presentation, identifying whether test rendering is “correct” is harder

9. Review
   - Increased complexity means traditional review will need to be supplemented with technical review

10. Submit
   - SEC application of validation rules may impact timeliness of submissions

11. Post to company website
   - Last minute changes more difficult to manage
General Table Disclosure Example

Figure 37 XYZ Company and Subsidiaries, Available-for-Sale Securities Reconciliation of Fair Value (Published Financial Statement View with Table Overlay)

<table>
<thead>
<tr>
<th>Domain Members</th>
<th>US Treasury Notes</th>
<th>Corporate Debt Securities</th>
<th>Equity Securities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line Items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Unrealized Gains</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Unrealized Losses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Fair Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From XBRL US GAAP Taxonomy Preparers Guide [here](#)
### Specific Table Example: What Do We Know?

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2009</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notional amount</td>
<td>Fair value (in millions)</td>
<td>Maximum future payments</td>
<td>Weighted average expected life (in years)</td>
</tr>
<tr>
<td><strong>Single name credit default swaps</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AA</td>
<td>$140.0</td>
<td>$(1.5)</td>
<td>$140.0</td>
<td>4.4</td>
</tr>
<tr>
<td>A</td>
<td>514.0</td>
<td>(0.7)</td>
<td>514.0</td>
<td>4.2</td>
</tr>
<tr>
<td>BBB</td>
<td>285.0</td>
<td>(2.2)</td>
<td>285.0</td>
<td>2.2</td>
</tr>
<tr>
<td>BB</td>
<td>35.0</td>
<td>(1.3)</td>
<td>35.0</td>
<td>1.8</td>
</tr>
<tr>
<td>Structured finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td>6.0</td>
<td>(5.7)</td>
<td>6.0</td>
<td>5.7</td>
</tr>
<tr>
<td>Total single name credit default swaps</td>
<td>$1,025.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Basket and index credit default swaps</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAA</td>
<td>3</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>2</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td>2</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>CCC</td>
<td>14</td>
<td></td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Structured finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAA</td>
<td>20.0</td>
<td>(5.7)</td>
<td>20.0</td>
<td>5.7</td>
</tr>
<tr>
<td>BBB</td>
<td>5.0</td>
<td>(1.2)</td>
<td>5.0</td>
<td>16.2</td>
</tr>
<tr>
<td><strong>Total basket and index credit default swaps</strong></td>
<td>$304.4</td>
<td>(38.8)</td>
<td>$304.4</td>
<td>2.2</td>
</tr>
<tr>
<td>Total credit default swap protection sold</td>
<td>$1,326.3</td>
<td>(85.2)</td>
<td>$1,326.3</td>
<td>3.4</td>
</tr>
</tbody>
</table>

**In Year 2:**
1. This table must be individually tagged, and
2. Each number in it must be individually tagged.

Therefore, it is an SEC table.
<table>
<thead>
<tr>
<th></th>
<th>September 30, 2009</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notional amount</td>
<td>Fair value</td>
<td>Maximum</td>
<td>Weighted average</td>
</tr>
<tr>
<td></td>
<td>(in millions)</td>
<td>(in millions)</td>
<td>future payments</td>
<td>expected life</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(in years)</td>
</tr>
<tr>
<td><strong>Single name credit default swaps</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>$(1.5)</td>
<td>$140.0</td>
<td>4.4</td>
</tr>
<tr>
<td>BBB</td>
<td>314.0</td>
<td>(6.7)</td>
<td>314.0</td>
<td>4.2</td>
</tr>
<tr>
<td>Total single name credit default swaps</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structured finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td>349.0</td>
<td>(5.1)</td>
<td>285.0</td>
<td>2.2</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total basket and index credit default swaps</td>
<td>304.4</td>
<td>(38.8)</td>
<td>304.4</td>
<td>2.2</td>
</tr>
<tr>
<td>Government/municipalities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AA</td>
<td>50.0</td>
<td>(8.4)</td>
<td>50.0</td>
<td></td>
</tr>
<tr>
<td>Total credit default swap protection sold</td>
<td>$1,326.3</td>
<td>$(85.2)</td>
<td>$1,326.3</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Each fact is more than just a combination of line item and “simple” context (reporting entity, date).
This isn’t just “**AA** at 9/30/2009”; in fact there are 12 facts that are “**AA** at 9/30/2009”.
Therefore, it is an XBRL UGT table as well.
### Specific Table Example:

#### Domain Members

<table>
<thead>
<tr>
<th>Line Items</th>
<th>September 30, 2009</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notional amount</td>
<td>Fair</td>
<td>Maximum</td>
<td>Weighted</td>
</tr>
<tr>
<td></td>
<td>(in millions)</td>
<td>value</td>
<td>future</td>
<td>average</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(in millions)</td>
<td>payments</td>
<td>expected life</td>
</tr>
<tr>
<td>Singled name credit default swaps</td>
<td>$140.0</td>
<td>$(1.5)</td>
<td>$140.0</td>
<td>4.4</td>
</tr>
<tr>
<td>Corporate debt</td>
<td>$514.0</td>
<td>$(0.7)</td>
<td>514.0</td>
<td>4.2</td>
</tr>
<tr>
<td>Structured finance</td>
<td>$285.0</td>
<td>$(2.2)</td>
<td>285.0</td>
<td>2.2</td>
</tr>
<tr>
<td>B</td>
<td>35.0</td>
<td>$(1.3)</td>
<td>35.0</td>
<td>1.8</td>
</tr>
<tr>
<td>B</td>
<td>19.9</td>
<td>$(14.0)</td>
<td>19.9</td>
<td>7.6</td>
</tr>
<tr>
<td>C</td>
<td>27.0</td>
<td>$(0.1)</td>
<td>22.0</td>
<td>10.6</td>
</tr>
<tr>
<td>Total single name credit default swaps</td>
<td>72.6</td>
<td>6.4</td>
<td>1,021.9</td>
<td>3.8</td>
</tr>
<tr>
<td>Basket and index credit default swaps</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAA</td>
<td>35.0</td>
<td>0.3</td>
<td>35.0</td>
<td>0.2</td>
</tr>
<tr>
<td>A</td>
<td>20.0</td>
<td>$(0.2)</td>
<td>20.0</td>
<td>0.8</td>
</tr>
<tr>
<td>BBB</td>
<td>20.0</td>
<td>$(0.1)</td>
<td>20.0</td>
<td>0.7</td>
</tr>
<tr>
<td>CCC</td>
<td>145.0</td>
<td>$(12.1)</td>
<td>145.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Near default</td>
<td>Government/municipalities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AA</td>
<td>Structured finance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total basket and index credit default swaps</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total credit default swap protection sold</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Line items are normally the “vertical”, or “x” axis in presentation. This is not always the case, as companies can choose how to orient their tables, and it may not agree with the UGT approach or intuitive sense.
Specific Table Example:

<table>
<thead>
<tr>
<th></th>
<th>Notional amount</th>
<th>Fair value</th>
<th>Maximum future payments</th>
<th>Weighted average expected life</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in millions)</td>
<td>(in millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>September 30, 2009</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Single name credit default swaps</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AA</td>
<td>5.0</td>
<td>(1.0)</td>
<td>20.0</td>
<td>0.7</td>
</tr>
<tr>
<td>A</td>
<td>20.0</td>
<td>(0.2)</td>
<td>20.0</td>
<td>0.8</td>
</tr>
<tr>
<td>BBB</td>
<td>20.0</td>
<td>(0.1)</td>
<td>20.0</td>
<td>0.7</td>
</tr>
<tr>
<td>BB</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structured finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td>145.0</td>
<td>0</td>
<td>145.0</td>
<td>3.1</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total single name credit default swaps</strong></td>
<td>304.4</td>
<td>(35.8)</td>
<td>304.4</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Basket and index credit default swaps</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAA</td>
<td>20.0</td>
<td>(5.7)</td>
<td>20.0</td>
<td>5.7</td>
</tr>
<tr>
<td>B</td>
<td>5.0</td>
<td>(1.2)</td>
<td>5.0</td>
<td>16.2</td>
</tr>
<tr>
<td><strong>Total basket and index credit default swaps</strong></td>
<td>1.326.3</td>
<td>(85.2)</td>
<td>1.326.3</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Rows and columns in a printed table may be different than the rows and columns in an existing taxonomy. A term describing this is “transposition”: switching rows and columns; same content and context, but looking at it from a different point of view, in a simple situation, the X axis becomes the Y axis, and vice versa.
Look for *groupings* and *repetitive* information:

**Credit default swap**
- Single name credit default swap
- Basket and index credit default swap

<table>
<thead>
<tr>
<th>Corporate debt</th>
<th>September 30, 2009</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notional amount</td>
<td>Fair value (in millions)</td>
</tr>
<tr>
<td>AAA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structured finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total single name credit default swaps</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Near default</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government/municipalities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total basket and index credit default swaps</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total credit default swap protection sold</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

AAA, AA, A, BBB, BB, B, CCC, C, near default
Notice: If you are an ownership form filer (specifically filing form types 3, 3/A, 4, 4/A, 5 or 5/A), please login to our new OnlineForms website. We have activated this separate EDGAR website and would like you to become familiar with it. All other non-ownership filers, please continue to use the login below.

Filer Login

CIK: 
Password: 

You must enter your CIK and Password before continuing. If you file with us, you may access EDGAR from 6:00AM to 10:00PM Eastern Time Monday through Friday (except for federal holidays).

Login to EDGAR

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Privately Preview your Interactive Data Submissions

Upload your interactive data file and return here with your confirmation code to preview how your XBRL submission will appear. You will be able to preview your XBRL submission in approximately 15 minutes. However, if you are previewing your submission at a time of peak load, it could take up to an hour. This is not an official filing. Validate and submit your official filing here (https://www.edgarfiling.sec.gov). This previewer supports only the US GAAP 1.0 and 2009 taxonomies (http://www.sec.gov/info/edgar/edgartaxonomies.shtml).
Current Adoption Alternatives

Bolt-on via Outsourcing or Consultation
- 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 US GAAP Taxonomy

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.

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.
- Maximizes benefits of XBRL to preparers and internal users of financial and non-financial information.
Outsourcing Vendor Considerations

Expectations on capacity during peak filing periods with increased number of registrants under mandatory submission requirements

Knowledge of F/S reporting expertise

Validation tools and rules (particularly the SEC public validation criteria)

Control of the process - turn-around time and ‘hand-offs’, including 'SLAs'

Confidentiality of data and transmissions

Quality control processes, including the nature of the issuer review and approval process (effective and timely)

SEC expectation of Issuers quality control processes

Process implications, including detailed tagging in ‘Year 2', including ownership of mapping IP (is it easily transferrable?)

Support for the Inline Specification and rendering solutions
Software Vendor Considerations

User-friendly features (US GAAP Taxonomy views, mapping)
• Import, view and manage multiple taxonomies
• Taxonomy mapping features for tables and multiple elements
• Facilitate company-specific extensions and analysis
• Validate SEC public validation rules, EFM, and other ‘rules’
• Preview the presentation
• Comparative analysis of elements and other report concepts

Support of XBRL Specification Updates (e.g. Inline Specification)

Interoperable with existing report preparation software (Office)

Support access and responsiveness

Read the User manual carefully

See xbrl.us and xbrl.org/tools for listing of potential vendors
Current Reporting Process = Manual Assembly/Review (“Bolt-on”)

1. Linear Document Review
2. Distributed Document Review
3. Manual Assembly via two processes
4. Manual Spreadsheet Aggregation
5. Manual Queries of sub-ledgers
“Built-in” = More Automated Reporting Assembly and Review

1. Contextual Review
2. Collaborative Review
3. Automated Assembly via a single process
4. Automated Aggregation
5. Automated Queries of sub-ledgers
Potential Process Controls Considerations

Built-in process controls

May be built-in to automated processes; rather than manually applied subsequent to report completion.

May be automated in areas such as: access, validation, presentation, analysis, etc.

May be part of traditional reporting process control environment

May be tested as part of your ICFR assessments

May be applicable to a wide range of reports (internal and external)

May be enhanced over prior manual control environments
Potential Audit Committee Considerations

Implementation strategy and timing via a project plan (including a ‘dry run’)

Implications on existing financial reporting processes, including:

- internal resources to lead data-tagging project effort (and related training)
- selection of outsourcing vendor/XBRL software to meet the company's needs
- process implications of concurrent submissions and website posting in the context of existing financial close and reporting processes when the grace periods are phased-out.
- identification of the industry version of the U.S. GAAP taxonomy the company will use
- assessment of judgments made for company specific taxonomy extensions and related documentation thereof (including benchmarking assessments)
- internal preparation processes and quality-control review procedures to validate compliance with SEC standards and assure XBRL-formatted financial information is reliable and accurate
- engaging a public accountant to advise on implementation matters, or to perform assurance-related services
How does XBRL impact common audit processes and functions (for all companies)?

And how Internal Auditors can benefit from these
Standardization approach to enterprise testing

Standardization of Ledgers = XBRL GL
• General Ledger
• Sub-Ledger
• Transaction Ledger

Standardization of Rules
• XBRL Formulas
• RuleML

Standardize additional process constructs
• Processes
• Controls
• Etc.
Process Improvements

Disparate data accessed in a more automated manner
Data validations automated/performed by providers
Data & Rules are:
  • transparent & reusable
  • independent of software = more adaptable to changes
Analytics are:
  • lower cost = accelerate frequency
  • more consistent
  • applied against deeper levels of data
Explicit connectivity of data with policies & standards
Review is more timely and automated
Decreased effort for a variety of presentations
Analytics today

Time / Resources applied to:
Accessing data
Inputting data into analytical application
Correcting validation and input errors
Performing analytics
Analyzing analytical results
Asking follow-up questions
Making decisions
Standardization changes what?

Standardized data
Standardized rules
Automated access
Automated validation
Automated analysis

Web service

Data = XBRL GL

Rules = XBRL Formulas

Display Result

Software
XBRL Enabled Analytics

**Time / Resources applied to:**
- Accessing data
- Inputting data into analytical application
- Correcting validation and input errors
- Performing analytics

**Analyzing analytical results**
- Asking follow-up questions
- Analyzing answers to questions
- Making decisions
A couple of demos; to highlight some process enhancements

How does it make your life better?

- **Example here** – How do you access data? (Google OneBox?)
- **Example here** – how to map XBRL GL to your ERP

- **Case Study here** – how to enhance process agility
- **Case Study here** – how to enhance data quality & analysis
XBRL as an Audit Tool and Aid

- Improving Profiling and Risk Assessments
- Improving Data Access and Analysis
- Enabling deeper data access and analysis
- Accelerating the Use of Continuous Auditing and Monitoring
- Machine readable process and controls documentation
- Improving Two-Way Audit Trails/Seamless audit trail
- Improving the knowledge domain of relevant audit resources

Libraries for:
- Controls
- Rules
- Entities
- Processes
- Others
Where should you go to learn more?
This report on XBRL is provided as a service to members of The IIA.

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Non-members can add this item to your shopping cart to purchase a copy for download.
XBRL (eXtensible Business Reporting Language) is a global standard for sharing business information. XBRL provides major benefits in the preparation, analysis and communication of business information, all at a reduced cost. XBRL provides standardized controls that can result in improved efficiency and effectiveness of the audits. As such, it is important that internal auditors be proactive and stay ahead of the curve on XBRL.

This report, prepared by a member of the XBRL International Consortium:

- introduces XBRL;
- discusses its benefits and uses.
Relevant Resources for EDGAR Filers

XBRL US  http://www.xbrl.us
Tools & Services for EDGAR Filers
Taxonomies
XBRL US GAAP Taxonomy Preparers Guide
Training Archives
Case Studies
  XBRL US Training sessions available here for Filers: Implementing XBRL for SEC Reporting
    •  October 21, 2009 (bolt-on & built-in examples)
    •  September 17, 2009 (built-in example)
    •  August 19, 2009 (bolt-on & built-in examples)
    •  July 23, 2009 (bolt-on examples)
    •  May 27, 2009 (bolt-on & built-in examples)

XBRL Spotlight page
EDGAR Filer Manual’s page
XBRL Previewer Page
Public Validation Criteria
Staff Interpretations and FAQs Related to Interactive Data Disclosure
Staff Observations from Review of Interactive Data Financial Statements
Welcome to the Securities and Exchange Commission's portal for information about eXtensible Business Reporting Language, or XBRL—part of the family of interactive data reporting standards required by the SEC. This page provides links from the SEC website to sources of information about XBRL technology, as well as creating and submitting XBRL-tagged interactive data files in compliance with Commission rules.