

IAASB CAG PAPER



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Agenda Item

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Committee: IAASB Consultative Advisory Group

Meeting Location: Dubai

Meeting Date: March 9 – 10, 2009

Project Proposal – XBRL

A. Objective of Agenda Item

1. To review key matters identified in the Project Proposal – XBRL. The IAASB intends to discuss the project proposal set forth in the Appendix at its March 2009 meeting.

Background

2. The IAASB *Strategy and Work Program, 2009-2011* indicates the IAASB will “in consultation with national standard setters and relevant XBRL groups, develop guidance for auditors on the approach to be followed when XBRL financial statements are to be filed together with the auditor’s report.”
3. In agreeing to this project as part of the *Strategy and Work Program, 2009-2011*, the IAASB accepted that there is a clear need for a discussion of auditor actions when XBRL data is filed with the audited financial statements. The following, however, was acknowledged in reaching this conclusion:
 - It is important that any standard or guidance to be developed is in response to a clear need; further research is needed as to how extensively and in what capacity XBRL is used around the world.
 - As the XBRL landscape evolves, it will be necessary for the IAASB to monitor developments with regard to XBRL to determine whether there is a demand for related assurance services beyond what is already provided in audit.
 - Any longer-term initiative is likely to be informed by responses to the exposure draft of the initial project dealing with XBRL, as well as ongoing consultation with national standard setters and relevant XBRL groups.

Focus of the Project

4. While the *Strategy and Work Program, 2009-2011* makes clear the general thrust of the anticipated direction of the IAASB, there are likely to be differing opinions as to what specifically the IAASB should be addressing in connection with guidance on XBRL. Some may see the need for guidance dealing with auditor association with XBRL data, for example, in light of recent developments in the U.S. that indicate that XBRL will be used to file financial statement data in the near term. Others may see the need for a more general

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

solution to allow greater use of XBRL in differing ways. It is therefore important at the outset of a project addressing XBRL to make clear what the primary focus of the IAASB's effort will be, thereby establishing a common understanding of the scope of the Board's future discussions.

5. In broad terms, a project on XBRL could be approached in one of three ways:

(i) A proposal to develop guidance dealing only with the question of the relationship between the auditor's report and XBRL data.

This option, the narrowest in scope of the three, could focus on how the concepts in ISA 720 (Redrafted)¹ and ISA 700 (Redrafted)² apply in the context an audit of financial statement when such statements are accompanied by XBRL data. The output could take the form of non-authoritative guidance (such as a Staff Audit Practice Alert or other options contemplated under Agenda Item 7) or an International Auditing Practice Statement.

While this option would likely be helpful in the immediate circumstances, it limits the ability for the IAASB to more fully establish or enhance practice in this emerging area.

(ii) A proposal to develop a new (non-audit) assurance or related services standard.

This output of this option could range from an international standard on review engagements (ISRE)³ or an international standard on related services (ISRS) to an international standard on assurance engagements (ISAE).

An initiative to develop a new assurance or related services standard, however, may not adequately address the immediate need to make clear from a user perspective the relationship between the auditor's report on the financial statements and XBRL data accompanying those financial statements. The principal drawback is that the ability of the IAASB to affect practice in this area is dependent on the existence of a regulatory requirement to file in XBRL and voluntary engagement of the auditor, and it is not clear there is a global demand for any such voluntary service. Rather, the general direction in the marketplace appears to be that financial statements prepared in the traditional format are being converted into XBRL format, with the XBRL data filed along with these traditional statements.

In addition, there are significantly differing views as to the basis on which the auditor would provide assurance, for example:

- On the individually tagged data in XBRL;

¹ ISA 720 (Redrafted), "The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements."

² ISA 700 (Redrafted), "Forming an Opinion and Reporting on Financial Statements."

³ For example, some national standard setters have developed interpretations relating to reviews of XBRL data.

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

- On the process by which XBRL data is collected, prepared and summarized, including a company's internal controls over the process; or
- A combination of both.

Whether entities will tag XBRL data at a level that would facilitate assurance on financial statements only in XBRL remains to be seen.

(iii) A proposal to develop a pronouncement dealing with the expected work effort of auditors when the audited financial statements are accompanied by XBRL data, and the reporting implications in such circumstance.

It is believed that consumers of financial data, including investors, analysts, financial institutions and regulators, can receive, find, compare and analyze data much more rapidly and efficiently if it is in XBRL format. It is therefore in the public interest that the IAASB work to enhance the credibility of financial statements produced in a format that has such benefits.

As more entities begin to file their audited financial statements using XBRL, users of these financial statements might expect that the auditor's report will cover the XBRL data, or may in fact believe that the auditor has performed specific procedures to provide assurance on this data or the controls surrounding XBRL data. In the absence of specific, relevant standards or guidance dealing with XBRL, the actual work performed may fall short of expectations. It will likely become more important that auditors adequately communicate the assurance, if any, that is being provided on the XBRL data to the intended users. A failure to do so will risk widening the expectations gap insofar as the degree of reliance that can be placed on the underlying XBRL data.

6. Staff is of the view that the third option above is the most appropriate (subject to the discussion in paragraphs 8-10 below). The attached project proposal, therefore, has been drafted on this basis, specifically to develop a pronouncement:
- (a) To address the performance and reporting expectations of the auditor in connection with audited financial statements that are accompanied by XBRL data, and
 - (b) If necessary, to discuss the considerations relevant when audited financial statements are only filed in XBRL.

A Two-Phased Approach

7. While Staff believes it is essential that the IAASB identify the specific focus of its intended work effort in connection with XBRL, it is also recognized that the IAASB will need to be satisfied that the approach to be taken is in fact the most appropriate in the public interest and in relation to stakeholder needs. Answers to questions such as the following will be relevant to determining this matter:
- How does the proposed approach compare to alternatives in terms of stakeholder specific needs and regulator developments, as well as costs and benefits?

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

- How widely XBRL is used to file or supplement audited financial statements?
 - Will it will be feasible to develop a pronouncement that will be relevant in a global context?
 - What might be potential implication on practice and public understanding?
8. Accordingly, it is also recommended that the project proposal adopted by the IAASB comprise a distinct two-phased approach. The 1st phase would involve consultation specifically directed at obtaining input on the approach proposed and seek information to support or refute the basis for proceeding. Should those consulted not agree with the IAASB's planned approach, specific input would be sought on the alternative(s) they would suggest, the rationale for the proposed alternative, the related costs and benefits of such alternatives, and a justification for why that is viewed in the public interest as more appropriate in the circumstances.
9. Subject to consultation not evidencing concern with approach, the 2nd phase would involve the development of a pronouncement as outlined above.

Action Requested

10. The Representatives are asked for their views on the approach recommended above and are invited to share with the CAG background information regarding the use of XBRL in their particular jurisdictions.

PROJECT PROPOSAL
XBRL

I. Subject

1. A two-phased project that includes:
 - (a) Consultation to obtain views about the IAASB's plans to develop a pronouncement to address the performance and reporting expectations of the auditor in connection with audited financial statements that are accompanied by XBRL data ("Phase 1"); and
 - (b) Subject to no indication to the contrary in the public interest arising from Phase 1, the development of a pronouncement on the responsibilities of the auditor in an audit of financial statements when audited financial statements are accompanied by XBRL data ("Phase 2").

II. Background and Relevant Developments

A. Background

A.1 THE IAASB'S STRATEGY REVIEW CONSULTATIONS

2. The effective operation of the world's capital markets is a matter of high public interest. High quality auditing standards contribute to high quality financial reporting which ultimately leads to growth and efficiencies in the capital markets, decreased cost of capital, reduced corruption, and improved decision making and transparency. The IAASB's *Strategy and Work Program, 2009-2011* therefore includes activities that are necessary to maintain high quality auditing standards. They include the revision of some ISAs, consideration of how auditors' reports may be improved and of the effect of developments in technology, such as XBRL, on financial reporting. Many of those who participated in the IAASB's consultations, whether through the strategy forums or responses to the exposure draft of the consultation paper, believe that developments in XBRL will have a significant effect on the reporting environment in the future.
3. Regulators and other national authorities have begun to permit or require financial statements and other information to be filed electronically using XBRL (see further discussion below). The IAASB's strategy recognizes the immediate need for further guidance in this area, and notes that the IAASB will, "in consultation with national standard setters and relevant XBRL groups, develop guidance for auditors on the approach to be followed when XBRL financial statements are to be filed together with the auditor's report."
4. The demand for the benefits promised by XBRL is underpinned by the ever-present need of all those in the information supply chain for more extensive financial and non-financial information, produced on a timely basis, in an easily acceptable form, and where possible,

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

tailored to specific needs. It is XBRL's ability to both speed up the reporting cycle and provide more, and re-useable, information in a cost-effective manner that may ultimately respond to those needs.

5. The landscape surrounding XBRL continues to evolve. In addition to its current use as a data collection tool, XBRL offers further possibilities, including entities making detailed information, tagged using XBRL, available on a real-time basis to third parties. These possibilities could include assurance on such detailed information, possibly including assurance services designed to reassure third-party users of entities' databases. At this stage, these possibilities appear to go beyond current practice and may in fact never be made available or, if made available, may never be something in relation to which assurance is sought by users. The IAASB did not think that pronouncements for such potential services were yet required, but agreed to monitor developments with regard to XBRL to determine whether there is a demand for related assurance services. This longer-term initiative is likely to be informed by responses to the exposure draft of the project explained above, as well as ongoing consultation with national standard setters and relevant XBRL groups.
6. While it could be argued that the IAASB should work to position itself to lead standard setting with regard to XBRL, it is important that any standard or guidance to be developed is in response to a clear need. As such, the IAASB's strategy notes that a cautious approach to XBRL would be in order, starting with guidance that would be immediately useful to auditors.

B. Relevant Developments

B.1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION REQUIREMENTS

7. In December 2008, the U.S. Securities and Exchange Commission (SEC) approved a rule that will require registrants to provide financial information in an interactive data using XBRL format in certain filings with the SEC. For public companies, interactive data reporting will occur on a phased-in schedule beginning in the second quarter of 2009, with about 500 U.S. GAAP filing companies affected. Companies reporting in International Financial Reporting Standards (IFRS) will be required to provide their interactive data reports starting with fiscal years ending on or after June 15, 2011.
8. Issuers must file XBRL financial reports *as exhibits* to both quarterly and annual financial statements, as well as registration statements, in XBRL Instance Documents. Public companies have been encouraged to begin working towards compliance with the new rule, including reviewing internal disclosure controls and procedures and researching the processes and software programs required to properly tag their financial statements.
9. In the first year of XBRL reporting, only the face of the financial statements will be tagged. Footnotes and schedules to financial statements will be tagged, but in block text only. Detailed tagging of footnotes and financial statements will begin in the second year of XBRL reporting. Tagging of narrative disclosures is permitted, but will not be required under the new rules. At present, the SEC does not require issuers to obtain auditor assurance

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

on XBRL exhibits.

10. The U.S. has standards in place relating to XBRL for separate attest engagements, developed in response to the SEC's voluntary financial reporting program.⁴ For example, the US Auditing Standards Board (ASB) has issued an interpretation⁵ of its attest standard (similar in concept to the IAASB's assurance standards) relating to XBRL. Interpretation No. 5, "Attest Engagements on Financial Information Included in XBRL Instance Documents," explains that the XBRL tags, and their relationship to other XBRL tags, are represented in a taxonomy that is needed for a full rendering of an XBRL Instance Document. The interpretation also notes that the Instance Document is a stand-alone document published by an entity. It requires that management of the entity provides the auditor with a written assertion regarding the XBRL Instance documents, and also requires that the auditor's report on the XBRL data reference any auditor's report that has been issued on the financial statements of the entity. This interpretation allows for both direct and assertion-based reporting. The ASB is also working on a Statement of Position (authoritative accounting guidance) dealing with agreed-upon procedures that address the completeness, accuracy, and consistency of XBRL-tagged data, which would also likely be an engagement separate from the audit.
11. The U.S. Public Company Accounting Oversight Board (PCAOB) has also issued a non-authoritative staff Q&A, "Attest Engagements Regarding XBRL Financial Information Furnished under the XBRL Voluntary Financial Reporting Program on the EDGAR System." The objectives of the examination procedures are to determine whether the XBRL data agrees with the official filings and that the documents are in conformity with the applicable XBRL taxonomies and specification, as well as the SEC requirements for format and content. Unlike the ASB interpretation, however, the PCAOB Q&A assumes that an auditor engaged to examine and report on whether XBRL documents accurately reflect the information in the financial statements has also audited the financial statements for at least the latest period to which the XBRL information relates.
12. Neither the ASB nor the PCAOB, however, has issued a standard or guidance regarding what work, if any, is needed during the course of an audit engagement when XBRL financial statements are to be filed together with the auditor's report.

⁴ The purpose of this program was to allow issuers to voluntarily submit supplemental tagged financial information using the XBRL format; filings to be required under the SEC's recent rule appear to be consistent with those addressed in the ASB and PCAOB's guidance.

⁵ Attestation Interpretations are recommendations on the application of SSAEs in specific circumstances, including engagements for entities in specialized industries, issued under the authority of AICPA senior technical bodies. If the practitioner does not apply the attestation guidance included in an applicable attestation interpretation, the practitioner should be prepared to explain how he or she complied with the SSAE provisions addressed by such attestation guidance.

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

B.2 OTHER JURISDICTIONS

13. A number of other jurisdictions also mandate or use XBRL in regulatory filing programs, including Australia, Belgium, Canada, China, Denmark, France, Germany, Hong Kong, India, Israel, Japan, Korea, the Netherlands, Singapore, Spain, Sweden, Thailand and the United Kingdom. However, the extent to which XBRL is used varies by jurisdiction – in some cases it is primarily required by banking regulators (for the purpose of filing supervisory reports), while in other cases it is used to collect data for a jurisdiction's business register.

B.3 INTERNATIONAL ACCOUNTING STANDARDS BOARD

14. The International Accounting Standards Committee (IASC) Foundation established a unit in 2001 known as the XBRL Team. The aim of this team is to provide a high quality International Financial Reporting Standards (IFRSs) taxonomy in the same languages (about 30 translations) and at the same time as IFRSs. The mission of the XBRL Team is part of the IFRS adoption and implementation strategy and is fully integrated with the IFRSs development. The XBRL Team is mandated to provide quality assurance of the IFRS Taxonomy as well as its maintenance and coordination.
15. The XBRL Team consists of two pillars - Technology and Accounting. The technology pillar is responsible for providing technical expertise and developing XBRL tools. The accounting pillar provides in-depth accounting domain expertise necessary when representing the IFRSs in XBRL format. Assistance in the implementation, application and further development of the current IFRS taxonomy (IFRS Taxonomy 2008) is included in the *IFRS Taxonomy Guide 1.00 – All you need to know about the IFRS Taxonomy as a preparer, supervisor, software developer...* Most notably, a *Preparers Guide* is included that helps preparers and issuers of financial statements in dealing with creation of instance documents.
16. On January 12, 2009, the IASC Foundation released a near final version of the IFRS Taxonomy 2009 for public comment. The IFRS Taxonomy 2009 is a translation of IFRSs as issued at December 31, 2008 into XBRL. The use of these taxonomies will be required when foreign filers who are listed in the U.S. file their IFRS financial statements with the SEC under the new rule discussed above.

III. Project Objectives and How it Serves the Public Interest

A. Project Objectives

17. Each phase of the project has an objective:
 - The objective of Phase 1 is to consult with key stakeholders to understand how XBRL is actually being used in different jurisdictions as it relates to the filing of an entity's financial statements and how the IAASB should address the public interest considerations when auditors are associated with XBRL data.
 - The objective of Phase 2 is to apply the findings of the consultation in developing a

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

pronouncement:

- To address the performance and reporting expectations of the auditor in connection with audited financial statements that are accompanied by XBRL data and,
- If deemed necessary, to discuss the considerations relevant when audited financial statements are only filed in XBRL.

B. How the Project Objectives Serve the Public Interest

18. Many believe that the use of XBRL will enhance the credibility of financial reporting and lead to more transparency. It has been purported that consumers of financial data, including investors, analysts, financial institutions and regulators, can receive, find, compare and analyze data much more rapidly and efficiently if it is in XBRL format. In addition, the use of XBRL, when properly implemented, will streamline an entity's process of collecting and reporting of financial information. This is likely to reduce the risk of data collection errors that may occur in financial statement preparation as it exists today.
19. As such, it is in the public interest that the IAASB work to enhance the credibility of financial statements produced in a format that has such benefits. The ability to do this will depend upon what is required from the auditor by regulators as well as what the public demands in the marketplace.

Understanding and Managing Expectations of Those Who Use XBRL Financial Statements

20. As more entities begin to file their financial statements using XBRL, users of these financial statements might expect that the auditor's report will cover the XBRL data, or may in fact believe that the auditor has performed specific procedures to provide assurance on this data or the controls surrounding XBRL data. In the absence of specific, relevant standards or guidance dealing with XBRL, the actual work performed may fall short of expectations. It will be important that any new mechanism adequately communicates the assurance, if any, that is being provided on the XBRL data to the intended users. A failure to do so will risk widening the expectations gap insofar as the degree of reliance that can be placed on the underlying XBRL data.

Need for Consistency in the Extent of Auditors' Procedures on Financial Statements Are Filed with the Auditor's Report

21. While no international model exists regarding filing of data in XBRL, and different taxonomies exist (i.e., US taxonomy vs. IFRS taxonomy), specifying the auditor's procedures when XBRL financial statements are to be filed with the auditor's report would ensure that at a minimum auditors in the same jurisdiction are consistent in their procedures.

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

IV. Phase 1 – Public Consultation

A. Consultation Paper and Other Consultation

22. In progressing the project, the task force will develop a consultation paper to be issued for public comment. The consultation paper will address the IAASB's plans to develop a pronouncement dealing with the performance and reporting expectations of the auditor in connection with audited financial statements that are accompanied by XBRL data. An important matter to be addressed in the consultation paper will be for respondents to communicate, should they not agree with the IAASB's planned initiative, what alternatives they would suggest, the rationale for the proposed alternative and the related costs and benefits of such alternatives.
23. Should consultation indicate that the IAASB's proposal is not acceptable, the consideration of alternatives would be subject to a new project proposal.
24. As part of, or in addition to, the consultation paper, the task force will also consider whether a global survey should be undertaken and whether public roundtables are needed.
25. Consultation as the first phase of the project is important for a number of reasons, most notably to suggest the scope of what the IAASB may issue in light of current needs in the marketplace. There is also a need to better understand how XBRL is actually being used in different jurisdictions as it relates to the filing of an entity's financial statements, for example:
 - Whether XBRL data is required to be filed *in addition to* an entity's paper or electronic filing with the relevant authority (i.e., the newly-adopted U.S. model) or in lieu of such filings. If the latter is contemplated, it is important to understand the timeline and how this will change the audit reporting model.
 - The extent to which assurance on information disseminated in XBRL format is required by law or regulation or demanded in a particular marketplace.
 - The requirements related to XBRL in certain financial reporting frameworks – for example, if in order to comply with the requirements of the applicable financial reporting frameworks, financial statements must be filed in XBRL.It will also be important to consult with auditors to understand their involvement with XBRL data to date, for example, how their audit planning is affected, if at all, by an entity's use of XBRL.
26. Liaison will also be sought through meetings with key stakeholders, including:
 - The Consultative Advisory Group.
 - National standard setters, in particular at the joint IAASB-NSS meeting in April 2009.
 - The Fédération des Experts Comptables Européens (FEE) Task Force on XBRL.

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

- The XBRL Assurance Working Group.
- The Transnational Auditors Committee.

B. Phase 1 Project Timetable

Project Stage	Timing
Approval of project proposal by IAASB	March 2009
Issuance of consultation paper by task force	September 2009
Discussion of comments from consultation	March 2010

C. Project Output

27. The results of Phase 1 will form the basis for the development of the output in Phase 2.

V. Phase 2 – Development of a Pronouncement

A. Project Scope

28. The second phase of the project will be to apply the findings of the consultation in developing a pronouncement:
- (a) To address the performance and reporting expectations of the auditor in connection with audited financial statements that are accompanied by XBRL data; and
 - (b) If necessary, to discuss the considerations relevant when audited financial statements are only filed in XBRL.

B. Development Process

29. The proposed development approach will be to focus initially on a single market model⁶ and identify principal issues in that market. This will be followed by obtaining input on the applicability and relevance of these issues and a possible pronouncement on the subject in a more global context. Findings from these activities will be used to inform the way forward in progressing the development of a new pronouncement. As necessary, the Task Force will consider the need to refine the project proposal based on the input received.

C. Major Problems and Key Issues that Will Be Addressed

30. Without prejudice to any other matters the project task force may bring before the IAASB,

⁶ For example, given the recent requirements issued in the U.S., the Task Force could use the filing requirements in the U.S. as a basis for determining the work effort for auditors. Alternatively, requirements for filing in XBRL in countries such as Japan and the Netherlands could be explored.

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

the issues to be addressed in this project include the following:

C.1 FORM OF PRONOUNCEMENT – ISA OR IAPS

31. The primary question for the task force to consider is the form of pronouncement to be developed. This consideration will need to be informed by the consultation in Phase 1 and research about how widely XBRL is used to file or supplement audited financial statements and whether it will be feasible to develop a standard that will be relevant in a global context.
32. It may be that the requirements in existing ISAs provide a suitable base on which to build an International Auditing Practice Statement (IAPS) on XBRL, to explain the application of the ISAs in an XBRL context. The use of an IAPS, however, may limit the ability for the IAASB to establish or enhance practice in this emerging area.
33. Alternatively, as more entities are required or choose to file their financial statements in XBRL, it may be appropriate for an ISA to be developed to specify requirements that aim to promote consistency in practice and give users of XBRL financial statements confidence in the comparability of the data. It is anticipated that this may be the preferred course of action and, accordingly, the issues that follow have been written on the basis that the task force will agree that development of an ISA is appropriate. (Should this not be the case, Staff is of the view that the principal issues set forth below would also need to be dealt with in some meaningful way in an IAPS.)

C.2 RELATIONSHIP BETWEEN THE NEW ISA AND THE EXISTING ISAS

34. If a new ISA is to be developed, it will be critical that the relationship of the new ISA to the existing ISAs be clear. Essentially, an auditor would be scoped in to the new ISA when the entity being audited files financial statements together with XBRL data. In order to issue the auditor's report that is filed with the primary financial statements (i.e., the paper or non-XBRL financial statements), the auditor would be required to comply with the new ISA.
35. The new ISA would specify a minimum level of work that is required in all cases when financial statements are filed in XBRL. Issues surrounding the work effort are outlined below.
36. Further consideration may also need to be given as to whether, and if so how, a new ISA should address the circumstance that is foreseen for the future – when financial statements are *only* filed in XBRL format. For example, it is possible that law or regulation may embed the XBRL taxonomies into the financial reporting framework, which would have implications for the auditor at the engagement acceptance stage and throughout the audit. This would have a more significant impact on the overall audit planning and execution.

C.3 WORK EFFORT REQUIRED BY AUDITORS

37. The project will consider both the performance and reporting expectations of the auditor, as follows.

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

Performance

38. Considerations may include:

- Engagement acceptance matters, including whether the engagement letter specifically describes the auditor's procedures, if any, on XBRL data.
- Whether the approach to XBRL should be risk-based or procedures-based.
- The nature, timing and extent of procedures to be applied to XBRL data, including procedures to be performed on the controls surrounding XBRL data.
- The extent the auditor needs to understand the taxonomies by which the XBRL data has been tagged.
- Relevant effort required for individual extensions to the standard taxonomies.
- Materiality and misstatement considerations with regard to XBRL data.
- Management's responsibility for, or assertions and representations about, XBRL financial statements and the underlying data.
- The linkage, if any, with concepts in existing IAASB standards that could be incorporated into a new ISA such as:
 - ISA 720 (Redrafted), "The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements."
 - ISA 810 (Redrafted), "Engagements to Report on Summary Financial Statements."
 - ISAE 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information."

Reporting

39. The most important reporting consideration to be addressed will be whether specific reference should be made to XBRL data and the auditor's procedures or lack thereof in the auditor's report. Further considerations include when a modification to the opinion may be required in relation to XBRL data, and the use of Other Matter paragraphs.

C. Phase 2 Project Timetable

Project Stage	Timing
First read of exposure draft	September 2010
Approve exposure draft	December 2010
Full review of exposure draft comments	September 2011

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

Project Stage	Timing
Approve final standard	December 2011

D. Project Output

40. Subject to the findings from the consultation phase, a pronouncement addressing the auditor's responsibilities when the audited financial statements are accompanied by XBRL data. The project does not exclude the possibility that new standards may need to be developed to address assurance related to XBRL data or controls over XBRL should consultation identify a need to do so; however, these would fall under a separate project proposal.

E. Impact Assessment Considerations

41. The primary benefit in developing a new pronouncement dealing with XBRL is that auditors will follow a consistent approach when dealing with audited financial statements that are accompanied by XBRL data. Users will also benefit from auditors' involvement in these engagements through greater transparency and reliability of financial statements.
42. There is a possibility of increased costs relative to the work effort required by auditors if it is determined that certain procedures should always be performed when XBRL is used.
43. The need for, and the nature and form of, any formal impact assessment in this project will be subject to the recommendations of task force charged with undertaking the separate IFAC project on impact assessments. As part of the impact assessment for this project, consideration will be given to the need for field testing any proposals that the project Task Force may develop.

VI. Implications for Any Specific Persons or Groups

44. The project has particular implications for the following:
- (a) IFAC Member Bodies and regional organizations (for example, FEE) who supported the proposal to develop guidance for XBRL.
 - (b) Forum of Firms and auditors in general.
 - (c) National standards setters that are involved in, or are contemplating, the development of relevant standards or guidance relating to XBRL.
 - (d) Regulatory bodies that establish regulations for the financial statements to be filed in XBRL.
 - (e) Public sector auditors and INTOSAI.
 - (f) XBRL International.

IAASB CAG PAPER

IAASB CAG Agenda (March 2009)

Agenda Item M

Project Proposal – XBRL

VII. Resources Required

45. A project task force consisting of up to 5 individuals, including a member of the IAASB as chair.
46. A Project Advisory Panel will be formed to respond to inquiries from the task force at relevant stages of the project. Consideration will be given to involving those such as:
 - Representatives from XBRL International and the XBRL Assurance Working Group;
 - Stock exchange leaders responsible for the development of XBRL filing requirements;
 - Corporate leaders who report under XBRL, such as voluntary filers in the United States;
 - Academics; and
 - Banking agencies that require XBRL filing for supervisory reports.

VIII. Relevant Sources of Information that Address the Matter Being Proposed

47. Relevant sources of information include the following:
 - XBRL International home page – www.xbrl.org
 - Discussion Paper prepared by XBRL Assurance Working Group
 - XBRL Spain Project Repository - Contains information on XBRL projects around the world and is available through www.wikixbrl.org
 - U.S. Securities and Exchange Commission XBRL page - <http://www.sec.gov/spotlight/xbrl.shtml>
 - AICPA Interpretation No. 5, “Attest Engagements on Financial Information Included in XBRL Instance Documents” of AT 101, Attest Engagements, which can be accessed by going to page 2578 of the following site: http://www.aicpa.org/download/members/div/auditstd/AT-00101_9.PDF
 - U.S. Public Company Accounting Oversight Board Staff Q&A http://www.pcaobus.org/Standards/Staff_Questions_and_Answers/2005/05-25%20.pdf