

SFbulletin

By Stephen Barlas, Dallan Christensen, Kathy Williams



SEC Examining Financial Statement Measurements

By Stephen Barlas

Are financial statement requirements up for review? It's unclear following the November 8 public roundtable discussion held by the Securities & Exchange Commission (SEC). The roundtable focused on financial statement measurements and associated disclosures that incorporate judgments about future events. It was the first in a series of an indeterminate number of roundtables that will be part of the Financial Reporting Series, instituted by SEC staff to assist in the proactive identification of risks related to, and areas of potential improvements in, the reliability and usefulness of financial information provided to investors. It isn't clear what precipitated this initiative. It wasn't the Dodd-Frank law. It contains nothing on financial reporting "reforms" in either the financial services sector or anywhere else. In fact, the SEC generally has done very little on financial reporting issues during Mary Schapiro's tenure as chair. Jeff Mahoney, general counsel of the Council of Institutional Investors, says he suspects the SEC's action is related to the issue of fair value for financial instruments.

There's a considerable amount of enthusiasm among statement preparers for the SEC effort here. "Determining the right level of disclosure requirements for mea-

surement uncertainty will not be an easy task, but we are encouraged that the FASB [Financial Accounting Standards Board] has a Disclosure Framework project on their agenda and the prospect that guidance may be provided for disclosures on estimates that require assumptions, judgments, or other internal inputs that could reasonably have been materially different," says Bob Laux, senior director, Financial Accounting and Reporting, Microsoft Corp.

Though the SEC hasn't said much about why it's holding these roundtables, it has been pretty specific about the kinds of topics it wants input on, including: (1) where the extent of uncertainty in an accounting measurement is less (or even more) useful to investors and why a more certain measurement would be preferable; (2) where uncertain measurements are useful to investors, how the uncertainties should be incorporated into the measure; and (3) what information investors utilize to understand uncertainty.

IMA-backed XBRL Bill Headed to House Floor

The holdup in Congress on passing the Digital Accountability and Transparency Act (DATA Act), the XBRL (eXtensible Business Reporting Language) bill strongly backed by IMA®, has to do with the top issue on Capitol Hill these days: the federal deficit. The legislation (H.R. 2146/S. 1222) sets up a new Federal Accountability and Spending Transparency Board, which would monitor all federal expenditures from all federal agencies and make those expenditures available to the public. All agencies would have to report data using a uniform standard. The bill says the Board should specify "to the extent practicable...existing nonproprietary standards, such as the eXtensible Business Reporting Language (XBRL)."

The bill passed the House Oversight and Government Reform Committee last summer. The Committee, chaired by Rep. Darrell Issa (R.-Calif.), the bill's sponsor, finally filed a committee report in late October. The bill is now

ERRATA

In the November 2011 issue of *Strategic Finance*, the name of the author of Careers, p.18, was misspelled. The correct spelling is Laurie Chamberlin, and her e-mail address is Laurie.Chamberlin@accountingprincipals.com.

SFbulletin

theoretically ready for a vote on the House floor, where it should pass given its bipartisan support, including from the ranking Democrat on the House Oversight Committee. Normally, passage would be a slam dunk, but there's a slight problem: The bill has been "scored" by the Congressional Budget Office as costing the federal government \$575 million between 2012 and 2016. The CBO's rules prohibit from taking into account any savings achieved by a bill's provisions and using those to offset a bill's costs. There's no question that this new Board, modeled after the Recovery Board that was set up to monitor expenditures under the 2009 stimulus bill, would save

federal dollars—just as the Recovery Board has. Nonetheless, Rep. Issa has to come up with an "offset"—a reduction in spending on some federal program—that would pay for the new spending needed to set up the Federal Accountability and Spending Transparency Board. Without that offset, the DATA Act, despite its strong bipartisan support, might not pass the House because it would add to the federal deficit. An Issa spokesperson says he expects the House to pass the bill sooner rather than later. Senator Mark Warner (D.-Va.) is sponsoring the bill in the Senate. He's waiting for the House to act before starting to push the bill hard in the Senate.



IMA's 12th Annual Student Leadership Conference Provides Education, Networking, Opportunity in Cincinnati



Exciting speakers, pertinent and timely topics, a mobile environment, and time to network and get career advice highlighted last month's Student Leadership Conference. The record-breaking crowd enjoyed such sessions as how to land your first job, what it means to be a finance executive, studying for the CMA® exam, why pursue corporate social responsibility, how to have a successful life, and how to be a good leader. A real hit was the launch of a new mobile application that kept participants connected before, during, and after the Conference. Join us next year in San Antonio!

BOOKS



Effective Dashboards

Business dashboards are the latest development in managing the incredible amounts of data and information at our fingertips today. Unfortunately, too few dashboard projects properly align business needs, information technology requirements, and project management to deliver promised return on investment. *Business Dashboards* by Nils Rasmussen, Claire Chen, and Manish Bansal presents a visually appealing and example-laden book to guide finance teams and IT support to deliver results for management.

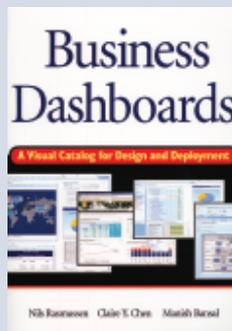
The authors do an excellent job of keeping the book focused on the development of dashboards, leaving strategic and operational goals to other books. I took a great deal from the discussion early in the book on different types of dashboards and what users require from each, for example, the key differences between strategic, tactical, and operational dashboards and what users need from them. Chapters 5 and 6 present a case study of a hypothetical organization turning its key performance indicators (KPIs) into a dashboard tool.

Part 2 of the book focuses on creating the proper data architecture for dashboards. This is a very technical topic, and many finance professionals will need to read this section several times. The book explains database structure, querying language, and other complex IT topics. These topics are critical to a successful dashboard project, and the authors do a

good job of simplifying the material as much as possible. But the nature of database architecture will have many finance executives scheduling meetings with their key IT people.

Part 3 is my favorite part of the book. Many finance departments want to start dashboard projects, but they don't really know how to create visually appealing and easily understandable tools. This section includes more than 120 examples of dashboards from a number of different organizations. The examples cover every type of dashboard and include creative examples such as gauges, bar charts, global representations, and tables. I was furiously writing notes and ideas for developing my own tools for my customers. I recommend reviewing Part 3 before reading the rest of the book because it will provide you with visual ideas for dashboards as you read the concepts throughout the rest of the book.

Part 4 covers the project management techniques associated with a dashboard project. Many finance professionals with project experience will know many of the concepts in this section, but it includes several new topics and ideas specific to dashboard projects. Chapter 16 covers the storyboard concept, which many skilled presenters use to create presentation slides and handout material. The storyboard turns abstract con-



cepts into visual images and allows users to design ideas and create a common reference framework for future development. Chapter 19, on user training and acceptance, includes several helpful tips for creating document-

ed procedures for end users to quickly understand the dashboard project.

Business Dashboards also includes five appendices that contain many helpful tips. The final appendix, for example, is a laundry list of KPIs to consider for your business. The authors spared no metric when putting this list together, and any team should be able to locate a small number of metrics to include in their dashboards.

Business Dashboards does have a number of technical and somewhat complex sections you'll want to review with your IT team, but the depth of information for both technical and project management requirements makes this a very good addition to a finance professional's library. The visual examples of dashboards and the excellent application of project management techniques to successful dashboard projects makes this a very good reference for organizations looking to turn data into information for good decision making.

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