

# XBRL <<<<<<<

By Kristine Brands, CMA

## Happy Birthday, XBRL!

XBRL (eXtensible Business Reporting Language) turns 15 this year. During its short history, it has emerged as a powerful tool for business reporting. The vision of the XBRL business reporting revolution began with Charlie Hoffman, a CPA from Tacoma, Wash., who saw how XML (Extensible Markup Language) could be used to share financial and business information in computer systems by employing standardized tags to define the information. Charlie's vision moved from concept to reality in 2000 when the first XBRL specification and taxonomy were released. They contained almost 2,000 financial reporting concepts for commercial and industrial terms under U.S. Generally Accepted Accounting Principles (GAAP) that are the basis of today's U.S. GAAP XBRL taxonomy. XBRL is used globally for regulatory reporting and disclosure as well as for internal business applications.

Let's take a look at contributions made by IMA® members and the role of IMA's XBRL Standing Advisory Committee in the development of the reporting language. Then we'll offer some predictions as to how XBRL will evolve in the next 15 years.

### IMA XBRL Thought Leaders

From the beginning, several IMA mem-

bers have played major roles in XBRL's development by having the vision and understanding of its benefits and its potential to report accurate, accessible, and transparent financial and business information. They've earned international reputations as XBRL thought leaders. Liv Watson, director of Global Business Development at WebFilings, and Neal Hannon, accounting and information systems lecturer at the University of Kansas, were IMA's early XBRL experts and champions. Since the beginning, they have helped IMA remain recognized as an XBRL thought leader by educating members at local, national, and global conferences; participating on committees at XBRL International and XBRL US; and writing numerous columns and articles in *Strategic Finance* and other business publications. Liv, also a founder of XBRL, coauthored *XBRL for Dummies* with Charlie Hoffman and has tirelessly traveled the globe as an ambassador to spread the word about XBRL's concepts. Mike Willis, a past chair of XBRL International and also a founder of XBRL, has made a priceless contribution to its development by educating regulators and corporate executives about its benefits for business reporting. Without the contributions of these IMA members, it's doubtful that XBRL would be where it is today.

### IMA's XBRL Advisory Committee

IMA's XBRL Advisory Committee was founded in 2009 and initially was chaired by Kim Wallin, controller of the State of Nevada and former IMA Chair. The Committee is involved in advocacy, education, and stakeholder outreach to support overall global market adoption of XBRL. It focuses on the use of XBRL by management accountants inside the enterprise in areas such as management reporting, integrated reporting, performance measurement, governance, risk, and compliance (GRC), enterprise risk management (ERM), business intelligence, transaction processing, consolidations, and data mining. It also focuses on external uses, such as regulatory/compliance reporting, investor relations, and stakeholder engagement. Committee members speak globally, publish articles about XBRL, and meet with XBRL corporate users to understand the issues they face. In June 2011, Kim testified before the U.S. House Committee on Oversight and Government Reform, chaired by Rep. Darrell Issa (R.-Calif.), in support of the Digital Accountability and Transparency Act. She and David Colgren, CEO of Colcomgroup, Inc., also meet periodically with members of Congress and their staff to advocate in favor of

XBRL adoption. IMA's Committee hopes to hold an IMA XBRL Summit in 2013 to bring together global thought leaders to discuss top and emerging XBRL issues.

## XBRL of the Future

Now let's turn to emerging developments that will affect the future of XBRL: integrated reporting, open and linked data, and smart data. The International Integrated Reporting Council (IIRC) is developing a report that combines an organization's strategy, governance, and performance to address the organization's value creation over the short, medium, and long term. One important fact is that financial and nonfinancial information pertaining to an organization's overall performance will be available in one report. In November 2012, the IIRC released the Integrated Reporting Prototype Framework naming XBRL as the standardized technology platform that can be used to communicate, distribute, compare, and analyze integrated reporting. Reasons for choosing XBRL are that it provides a consistent basis for how information is reported and related and for how it can be shared through XBRL's computer-readable function.

Another important development will allow pulling data from multiple and diverse sources, such as Web-based finan-

cial and business information sites. XBRL data usually is accessed at the entity level, such as SEC financial-statement-tagged data. To combine that with other non-XBRL data sources is difficult and requires customization. By leveraging XBRL, the business information ecosystem can be accessed throughout the business information supply chain through open and linked data. Open data is a concept that promotes free access to data, and linked data focuses on connecting related information that previously wasn't connected. XBRL is the bridge that can be used to achieve this goal. When this happens, XBRL will evolve beyond regulatory compliance and disclosure.

Brad Monterio, current chair of IMA's XBRL Standing Advisory Committee, predicts that organizations will use XBRL for more internal and external disclosures. He also expects more sharing of smart data—data that's self-aware—with structure and context that's provided by the XBRL framework. Connecting it to additional relationships enhances the data's meaning. For example, Meryl Streep is an actress. Smart data can connect her to the movies that she has starred in and her Oscars. More and more users of information will be able to access streams of data that contain the information they want, when they want it. The barrier to access-

ing data will be dropped as XBRL tools that provide easier access are developed.

On the regulatory front, Brad says that regulators will balance the burden of compliance with reporting requirements. Information collected by regulators will also become more accessible so individuals can analyze this data. According to Mike Willis, social analytics will let users share XBRL data because standards will allow collaborative development and maintenance of models and formulas for authorized users. The current restrictions to accessing information and data from one source or organizational silo will lessen because collaborative XBRL data sharing will provide access to broader information. In other words, people will be able to work together through social media platforms and Wiki-type collectives that use XBRL-tagged data to share ideas and to develop models.

Kudos to IMA and its members for their contributions to the business information and financial reporting revolution. **SF**

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