

# XBRL Best Practices Board - Charter

Final - Approved 2008-03-03; non substantive errata update approved 06-08-2008

Revised draft document 27-04-2015

This draft: revised after BPB discussions 21-05-2015

## Purpose of this document

This document is the charter of the XBRL International Best Practices Board (BPB).

## Status of this document

This is the draft charter of the XBRL Best Practices Board, submitted to Best Practices Board for review and discussion.

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## 1 Purpose and Scope

The Purpose of the BPB is to actively manage the production, dissemination and continual improvement of publications and content that describe methods, processes and best practices for successful development, implementation, integration, maintenance and usage of XBRL specifications.

The scope of the BPB is limited to the aforementioned materials to a timetable proposed by the BPB. The BPB must operate in conformance with a set of processes approved and published by the BPB that ensure appropriate levels of quality, review and analysis by XBRL member stakeholders.

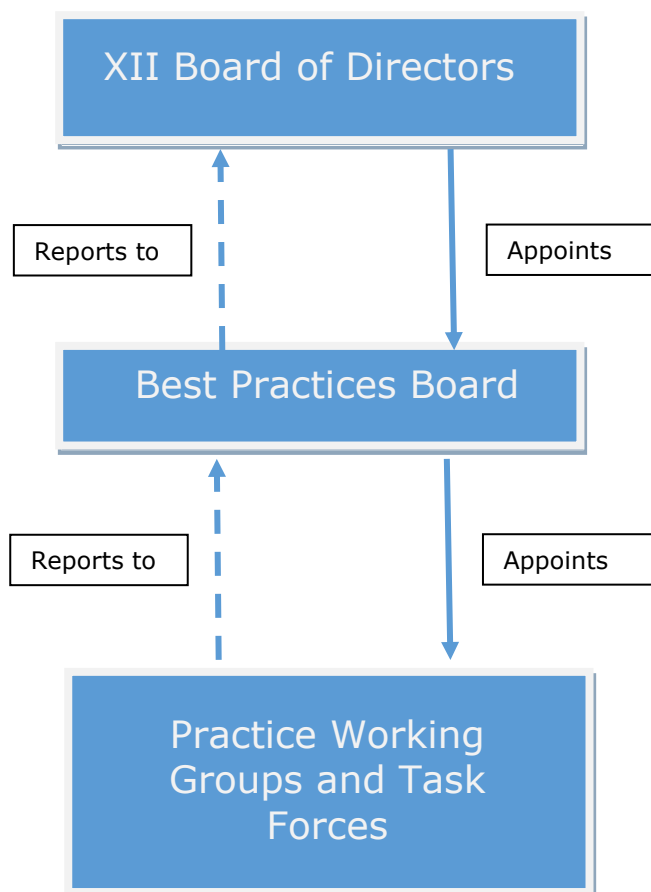
The BPB is empowered to form subgroups (e.g., Working Groups, Task Forces – see Section 5.4) chartered with specific tasks, deliverables and/or oversight, and approve the work of these subgroups through its processes as described in Section 4.3. It will be for the BPB itself to manage the creation, chartering, oversight, activities and outputs of these subgroups; hence the inner workings and processes of these subgroups are not specifically covered by this document.

## 2 Authority

The BPB has distinct duties and scope of responsibility relative to the XBRL Standards Board (XSB), although its authority, composition, operations, processes and policies are intentionally structurally similar. The Board of Directors mandates the Best Practices Board with the responsibility of promoting the adoption of XBRL as described in the purpose statement above.

### 2.1 Composition

The composition of the BPB and its relationship with the XBRL International, Inc. (XII) Board of Directors and the Working Groups is summarised in the following figure:

**Figure 1: BPB Composition and Relationship to Board and Subgroups**

## 2.2 Balance of BPB Membership

The BPB consists of at least 7 members. Ideally each member should fill a competency-role to achieve a balanced perspective. To ensure appropriate and balanced representation it is important that the board consist of a blend of skills. The board comprises members that are technically focussed as well as business focussed.

The targeted competency mix is as follows.

- Program management – with practical hands-on experience in XBRL program management, and a focus on the design of feature sets based on functional requirements arising from the gathering, analysing and prioritizing of requirements from business to functionality requirements.
- Regulatory reporting management experts - with practical hands-on experience in XBRL regulatory reporting, and a focus on the design and/or operation of end-to-end business processes associated with regulatory reporting, including competencies and experiences in designing and managing systems from the business owner perspective, and defining the business architecture. Needs to have an understanding of the process of implementing new technology in government and large organizations, working closely with IT and business teams.
- Financial Analysis expert - with practical hands-on experience in using XBRL in financial analysis, and a focus on the processes and methods used to collect and align data from disparate organizations, especially in international settings.

- Software or product vendors – with practical hands-on experience in implementing XBRL enabled software solutions, and a focus on XML and specifically XBRL technology including competencies and experiences in designing and developing software.
- Consulting – Practical experience supporting organisations to successfully implement XBRL, either as an independent consultant, consulting body or interim manager.
- Marketing – practical experience in strategic marketing or public relations in XBRL domain.

All members must demonstrate clear record of successfully working in an international setting with clear competencies of teaming, technical judgement, negotiation, and strategic planning.

### **3 Appointments and Tenure**

In making appointments to the BPB, the Board of Directors will give due regard to, and as far as possible, seek to achieve a balance of representation from different geographies and communities involved in XII. However, these considerations will be secondary to the first three criteria set out in Section 3.1 below.

#### **3.1 *Appointment Criteria***

The members of the BPB are appointed by the Board of Directors after due consultation with appropriate interested parties, primarily based on:

1. Competencies required.
2. Ability to act independently i.e. objectively and as an individual not on behalf of employer
3. Ability to commit the necessary time to BPB activities.
4. Competencies and geographic balance of BPB, as described in Section 2.

Candidates for BPB membership should be members of the XII community.

The Board of Directors are responsible for ensuring due consultation processes for member selection are in place.

#### **3.1 *The Chair***

The chair is selected by the Board of Directors, and should be a current member of BPB. The chair's term is annual and no BPB member should serve as chair for more than 3 consecutive terms and not more than 3 terms in any period of 6 years. The chair should strive to achieve consensus of the BPB wherever possible. The chair has a casting vote in the event of a tie.

#### **3.2 *The Vice Chair***

The vice chair is selected by the Board of Directors and should be a current member of BPB. The vice chair's term is annual and no BPB member should serve as vice chair for more than 3 consecutive terms in any period of 6 years.

#### **3.3 *Emeritus Chair***

The Board of Directors may appoint an Emeritus Chair. This is a discretionary appointment by the Board of Directors to recognise long-standing contribution to the BPB and XBRL community. The

Emeritus Chair has an observer role on BPB without voting rights but should also be considered as a trusted advisor.

### **3.4 Board of Directors Liaison**

The Board of Directors will appoint a Liaison representative nominated from the current Board of Directors. The Board liaison has an observer role on BPB without voting rights but should also be considered as a trusted advisor. The appointment and duration is the responsibility of the Board of Directors.

### **3.5 Task Forces and Working Groups**

The BPB will convene Working Groups (WG) and Task Forces (TF) as required by work plans and as requested by Board of Directors.

### **3.6 Tenure and term limits**

Each BPB member shall serve a term of one year commencing on the date of appointment. The Board of Directors shall not consider for re-appointment to the BPB anyone who has served on the BPB for more than 5 terms in any consecutive period of 6 years.

### **3.7 Conflicts of Interest/Independence**

Conflicts of interest could arise where a member of the BPB has a relationship with another person or entity that could be viewed as impairing the objectivity of the member in relation to a particular issue under consideration by the BPB. Where a member believes they may have a conflict of interest, the member concerned must inform the BPB of the nature of the relationship that could be viewed as affecting the member's objectivity in relation to the particular issue under consideration by the BPB. This notification by a member is required to be made prior to the BPB's consideration of the matter(s) in relation to which the member believes there is or may be a conflict of interest. The chair of the BPB shall determine the future participation, or otherwise, of the member declaring the conflict of interest in the matter under consideration. If the chair believes there is a conflict they must verbally inform the chair of the Board of Directors that such conflict exists and seek endorsement of any decision that is made regarding the individuals participation on the matter under consideration.

In the event of the chair suffering a conflict or possible conflict of interest the chair of the Board of Directors shall determine their future participation in the matter under consideration.

At any time any member may voluntarily excuse themselves from participation in any matter under consideration if they feel it is appropriate to do so.

## **4 Publications and Content**

Primary roles of the BPB include the development and/or approval of publications and content on XBRL-related practice matters.

### **4.1 Scope of publications and content**

XBRL-related practice matters include, but are not limited to:

- Any publication types or content relating to development, implementation, integration, maintenance and usage of XBRL solutions
- Surveys and insights into current market practice for XBRL solutions
- Recommendations on practices for successful implementation of the XBRL standards
- Responses to information requests from the business reporting market, including comment letters

- Work-plans and roadmaps for BPB activities
- Discussion documents for comment by the XBRL community

## 4.2 Exclusions

Best practices board publications will NOT include:

- Comments or proposals related to operational or organisational aspects of XBRL International or its jurisdictions. These are to be directly channelled to the Board of Directors.
- XBRL standards and technical specifications, existing and those under development. These are the province of the XSB;

## 4.3 Review and approval processes

The BPB is responsible for assuring due diligence for all of its publications and content, both directly published or created by BPB members, or published or created by its sub groups.

The BPB will develop and maintain processes that ensure appropriate due diligence review and approval of publications and content.

The processes will include, *among other matters*, determining/defining the requirements the publication or content is intended to satisfy, establishing the different stages of the process, (e.g., draft, public working draft, RECOMMENDATION etc), the requirements to achieve each stage. Appropriate procedures will be established for each type of publication or content. Similar processes will be established for recommending new publications, content or other projects to the Board of Directors for approval, with particular focus on determining requirements and decision-making criteria.

The purpose of establishing transparent, standard processes is to;

- Enable the Board of Directors to ensure that due process has been carried out either when considering recommendations from the BPB or when carrying out its oversight role where the BPB have exercised delegated authority
- Provide other interested parties and stakeholders with confidence in the integrity and independence of the processes and outcomes
- Provide clear guidance to the community and other interested parties on the basis that new publications, content or other projects will be approved and the steps and timescales to achieve them

# 5 Operation

## 5.1 Meetings

The BPB should meet by teleconference on a regular basis, at least monthly or at the discretion of the chair. Face to face meetings are to be encouraged as often as practical.

## 5.2 Required attendance

Attendance at a minimum of 50% of meetings is mandatory. Attendance at a minimum of 75% of conference call meetings is expected in order to maintain a quorum for voting purposes and to keep the work of the BPB moving forward to meet deadlines and other expectations. The ability to abide by this requirement will be a factor in the selection of members of the BPB. Failure to satisfy this requirement by any BPB member will result in temporary loss of voting rights until attendance

regains expected levels. If the member has not attended 3 meetings in a row it will result in temporary loss of voting rights until the member has attended 3 meetings in a row again.

Continued lack of attendance may, at the discretion of the Board of Directors, result in the removal of the member from the BPB. Any BPB member whose removal is under consideration by the Board of Directors shall be allowed the opportunity to state any objection to removal if they so wish.

The BPB will develop and publish processes for managing and tracking planned and unplanned absences by BPB members.

### **5.3 Quorum**

Quorum for BPB meetings is established when 50% of the voting BPB members are present and a minimum of 3 voting members. While a meeting is inquorate, discussion may take place and be minuted at the discretion of the chair, but no motions may be voted on. If a meeting becomes inquorate because of the departure of a member or members, no voting may take place while it remains inquorate.

The BPB shall establish processes for convening quorate meetings when members are absent.

No proxies for BPB members will be allowed for the purposes of either voting or establishing a quorum.

The BPB chair will report activities and decisions to the Board of Directors at every BoD meeting and seek strategic guidance on intended activities where necessary.

### **5.4 Subgroups**

The BPB will from time to time, on an as-needed basis, charter subgroups it determines to be necessary to support the work of the BPB. There are two types of subgroups that can be formed by BPB – permanent/long-term and temporary/short-term. Permanent/long-term subgroups are referred to as “practice working groups” (PWG) herein; temporary/short-term subgroups are referred to as “task forces” (TF) herein.

- The work to be addressed by the BPB Sub-groups will exclude the areas that are covered by the Technical Working Groups (TWGs) of the XSB. In some cases, BPB sub-groups may coordinate activities with XSB or TWGs of the XSB.
- PWGs are chartered by the BPB with specific goals, objectives and deliverables for ongoing or long-term work to support the BPB. TFs are chartered by the BPB with specific goals, objectives and deliverables for short-term finite needs and are dissolved once they have achieved their specific goals, objectives and deliverables.
- The BPB shall develop and publish criteria for the chartering and winding up of Sub Groups, such criteria to be approved by the Board of Directors. Such criteria shall include requirements such as minimum number of sponsoring participants, level of commitment required from such sponsors, continued evidence of progress being made on the work product of the Working Group etc.
- Sub Groups shall have XII staff assigned to them to assist their operation. The role of such staffing could include assistance such as participating in Sub Group deliberations in order to provide advice on procedure and technical matters, facilitate the production of publications or content, for example. TFs may also, from time to time, have XII staff assigned to them to assist in their operation in a similar manner to Sub Groups.
- The BPB will define criteria for membership of the SubGroups, and the leadership structures thereof.
- The BPB will define criteria for establishing voting rights in a SubGroup.
- The BPB will define criteria for determining quorum at Sub Group meetings.

## **6 Staff Support/Budget**

Sufficient XII staff will be allocated to support the overall work of the BPB as necessary.

The Board of Directors shall provide an adequate budget to support the work of the BPB to deliver on its work plan.

## 7 Transparency

The BPB is committed to transparency in all of its operations. This will be achieved by:

1. Meetings of the BPB and its Sub Groups will be open to XII participants on the same basis as Board of Directors meetings. Participants from XII will be asked to request from the BPB that they be allowed to attend a meeting, as a non-voting observer, in advance. The BPB will have the discretion to approve or deny such a request. As with Board of Directors meetings it is recognised that there may be occasions when all or part of a BPB, PWG or TF meeting needs to be held "*in camera*" (i.e., executive session) and the BPB, or its Sub groups will have the discretion to determine this as and when it deems it necessary. Materials to be discussed at BPB or its PWG or TF meetings, with the exception of any materials to be used during in camera sessions, will be made available to those who have been approved in advance to attend the BPB, WG or TF meeting.
2. Adequate notice will be given of all BPB meetings, except in exceptional circumstances.
3. Full minutes of all BPB meetings will be prepared within 5 working days for approval by the BPB and published to the XBRL membership at large once formally approved at a BPB meeting. Where any part of a meeting is held "*in camera*," full minutes of those in camera discussions will be provided, along with the more widely published minutes, to all members of the Board of Directors. The term "full minutes" is intended to mean that sufficient detail of the discussions held will be provided to enable an informed reader to understand the nature of the discussions, the contributions and views of BPB members, and the basis on which any decisions taken or actions agreed are based. An archive of the minutes of BPB meetings shall be maintained and made available to the XBRL membership at large.
4. In relation to those aspects of its role which relate to review and approval of publications or in exercising any delegated approval authority the BPB will develop and publish procedures, which will be subject to prior approval by the Board of Directors for dealing with such matters. See Section 4.3.
5. The BPB may nominate a particular member or members to act as the key point of contact in respect of issues on which such member or members have particular skills or interest for participants in the community and other interested parties to raise issues with the BPB or seek information or clarification from it. In the absence of a nominated individual this role will be taken by the XII Best Practices Board chair. If established for any particular issues or issues, this role will be given a high profile on the [xbrl.org](http://xbrl.org) website. The BPB will develop and publish procedures for dealing with such issues/queries to ensure that they are dealt with on a timely, transparent basis. This role will be separate from any specific liaison or requirement gathering roles that BPB members may have with working groups, geographic or other communities within XBRL and other organisations.
6. In the event of lack of unanimity in respect of any decision, the BPB shall, at the request of those holding dissenting views, publish such dissenting views along with its decision. Any such dissenting views so published must be authored by those dissenting.

## 8 Process and Policies

The BPB shall determine its operating procedures so long as they are not inconsistent with the terms of this document.

The operating procedures should cover, among other matters, the procedures for WGs and TFs and other items.