The Merit of the DATA Act to Enhance the Governmental Reporting Process: A Corporate Governance Perspective

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Similarities between government reporting context and corporate reporting context

This paper uses the Agency Theory to establish a conceptual link between the two participants information flow

Identify common goals contributing to Effective corporate governance

CG Model: Transparency and Monitoring
Reasons for the DATA Act

U.S. Gov Reporting Structure – dysfunctional

Terminology varied among agencies – inconsistent data and comparability

No accurate and consistent platform – unable to reuse and processing difficulties
CG Supply Chain Using XBRL

Corporate Reporting Supply Chain Using XBRL

Processes
- Financial and Non-Financial Data
  - Business Operations (CO SO and COBIT)
  - Internal Financial Reporting
  - External Financial Reporting
  - Consumers of Financial Information

Participants
- Companies (F-NF)
- Financial Publishers & Data Aggregators (F)
- Investors F-NF
- Trading Partners (F-NF)
- Management Accountants (F-NF)
- Auditors (F)
- Regulators (F-NF)

<-- Boundaries of Corporate Governance -->

*Recreation of Figure 1 in the publication titled "XBRL: Improving transparency and monitoring functions of corporate governance" by Saeed Roohani, Yui Furusho, and Makoto Koizumi

*Original Source: XBRL consortium
Governmental Reporting Supply Chain Using Government-wide Standards

*Adapted from Figure 1 in the publication titled "XBRL: Improving transparency and monitoring functions of corporate governance" by Saeed Roohani, Yuji Furusho, and Makoto Koizumi
Ideal Governance Model

- Capital Market (Voting Public)
- Financial Reports
- Reporting Process
- Company Operations (Government Operations)

- Monitoring
- Transparency
Current Corporate and Governmental Models

Corporate
- Capital Markets
  - Financial Reports
    - Reporting Process
      - Company Operations

Government
- Voting Public
  - Financial Reports
    - Reporting Process
      - Government Operations

Monitoring
- Low - Monitoring

Transparency
- Low - Transparency
Discussion and Questions