DECEMBER 2012

# POST-IMPLEMENTATION REVIEW REPORT

on FASB Statement No. 131, *Disclosures about Segments of an Enterprise and Related Information*

(Codified in Accounting Standards Codification Topic 280, Segment Reporting)

FINANCIAL ACCOUNTING FOUNDATION

Financial Accounting Foundation
401 Merritt 7, PO Box 5116
Norwalk, Connecticut 06856-5116
T: 203.847.0700 | F: 203.849.9714
www.accountingfoundation.org

**FINANCIAL ACCOUNTING FOUNDATION**
401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116 I 203-847-0700
Fax: 203-849-9714

December 21, 2012

The accompanying *Post-Implementation Review Report on FASB Statement No. 131,* Disclosures about Segments of an Enterprise and Related Information (Statement 131 Report or Report), summarizes the FAF's post-implementation review (PIR or Review) team's research results and conclusions (collectively, Findings), and recommendations from their Review of Statement 131. The PIR process is an important part of our FASB and GASB standard-setting oversight responsibilities. Our oversight objectives are to improve the standard-setting process, in part, through a robust, independent, and credible PIR process.

The PIR team's review accomplishes the objectives we set out for the PIR process: (1) to determine whether Statement 131 is accomplishing its stated purpose, (2) to evaluate Statement 131's implementation and continuing compliance costs and related benefits, and (3) to provide recommendations to improve the FASB's standard-setting process. To maintain the FASB's standard-setting independence, the PIR team does not make recommendations for the FASB to take standard-setting action.

We have reviewed the Statement 131 Review team's procedures and the accompanying Statement 131 Report. We believe that they performed a robust, independent, and credible Review of Statement 131. The team's summarized conclusions and recommendations, with which we concur, are included in the "Summary" section of the Report.

The Statement 131 Report addresses the technical, operational, and cost-effectiveness aspects of Statement 131. The FASB has reviewed the Statement 131 Report and the PIR team's detailed Findings. After additional review and consideration, the FASB will provide a timely response to the matters discussed in the Report and Findings. We note that the International Accounting Standards Board (IASB) is conducting a post-implementation review of IFRS 8, *Operating Segments*. (IFRS 8 is substantially converged with Statement 131.) The IASB expects to conclude its review in 2013. The FASB will consider the IASB's review of IFRS 8 before making a determination on how to proceed.

We would like to thank all of the individuals and organizations that provided input on Statement 131 and helped the PIR team further develop its Review process.

We welcome your input on our PIR process at presidentsdesk@f-a-f.org.

Sincerely,

John Davidson
Co-Chair
Standard-Setting Process Oversight Committee
FAF Board of Trustees

Edward M. Harrington
Co-Chair
Standard-Setting Process Oversight Committee
FAF Board of Trustees

## TABLE OF CONTENTS


Summary........ 1
Glossary of Acronyms and Terms ........ 2
Post-Implementation Review Report
    Background........ 3–5
        Statement 131 ........ 3
        PIR Procedures........ 3
        PIR Objectives........ 4
    Objective 1: Did Statement 131 Accomplish Its Stated Purpose?........ 5–10
        Did Statement 131 Resolve the Issues Underlying the Need for the Standard?........ 5
        Does Statement 131 Provide Decision-Useful Information?........ 6
        Is Statement 131 Operational? ........ 7
        Did Statement 131 Result in Unexpected Changes in Practice? ........ 8
        Did Statement 131 Result in Any Significant Economic Consequences? ........ 9
        Overall Impression of Statement 131 and the Segment Disclosures ........ 9
        Overall Conclusions on Whether Statement 131 Accomplished Its Stated Purpose........ 10
    Objective 2: Statement 131 Costs and Benefits........ 10-11
        Are Statement 131's Implementation and Continuing Application Costs Consistent with the Costs the Board Considered and Stakeholders Expected?........ 10
        Are the Benefits of Statement 131 Consistent with the Benefits the Board Intended and Stakeholders Expected?........ 11
        Overall Conclusion on Statement 131's Costs and Benefits........ 11
    Objective 3: Standard-Setting Process Improvements........ 12
    PIR Process........ 12

# SUMMARY

In 2010, the Trustees implemented a post-implementation review (*PIR* or *Review*) process as part of their FASB and GASB oversight responsibilities. The Trustees' objectives for these Reviews are to determine whether a standard is accomplishing its stated purpose, evaluate its implementation and continuing compliance costs and related benefits, and provide recommendations to improve the standard-setting process.

Given stakeholder diversity, seldom will stakeholders have unanimous views on whether any standard or its provisions are effective. In their Statement 131 research, the PIR team notes that stakeholder views on some issues vary based on respondent type and size. The PIR team reaches their conclusions using their judgments, considering all the input received, and striving to be objective and balanced.

The Statement 131 PIR team reached the following overall conclusions about Statement 131:

- Statement 131 provides more information about companies' different business activities than the prior segment reporting standard did. Companies' reported segment information is better aligned with their internal structures and more consistent with financial information reported outside the financial statements. However, there are indications that some companies (particularly those reporting only one segment) are not reporting a sufficient number of segments.
- Overall, Statement 131 enhanced the relevance of segment disclosures. Additional disaggregated information and improved alignment allows investors to understand better the different types of activities in which a company engages and its prospect for future growth. In addition, investors use the improved segment information to make judgments about the company as a whole. However, reported segment information is not always sufficient for their investment decisions. Users would like more segment information (e.g., gross margin and cash flow). Users also might like more consistency across companies in the amount, type, and measurement of information disclosed.
- In general, Statement 131's requirements can be understood, can be applied as intended, and result in reliable information. However, the guidance for determining and aggregating operating segments might be difficult for some companies to apply—in part because of advances in technology and the principles-based nature of the standard—and generates continuing discussions between preparers, practitioners, and regulators.
- Statement 131 did not result in any significant changes in operating or financial reporting practices, nor did it have any significant economic consequences. However, some companies might be aggregating segments to reduce transparency because of competitive harm concerns or for other reasons.
- Both the costs and the benefits associated with Statement 131's required segment disclosures are consistent with the Board's and stakeholders' expectations.

The FASB issued Statement 131 over 15 years ago; their standard-setting process has changed considerably since then. We think that the standard-setting process worked well overall and contributed to a successful standard. Thus, we have no significant standard-setting process recommendations as the result of our post-implementation review of Statement 131.

# GLOSSARY OF ACRONYMS AND TERMS

**AICPA Special Committee**: AICPA Special Committee on Financial Reporting

**AIMR:** Association for Investment Management and Research

**CODM:** Chief Operating Decision Maker

**Disaggregated information:** financial statement information broken down by an entity's components (e.g., by business, industry, product line, or geographic area)

**FAF**: Financial Accounting Foundation

**FASB**: Financial Accounting Standards Board (or *Board*)

**GASB**: Governmental Accounting Standards Board

**MD&A**: Management's Discussion and Analysis

**Oversight Committee**: FAF's Trustees' Standard-Setting Process Oversight Committee

**PIR**: Post-implementation review

**Review**: Post-implementation review

**SEC**: Securities and Exchange Commission

**Statement 14**: FASB Statement No. 14, *Financial Reporting for Segments of a Business Enterprise*

**Statement 94**: FASB Statement No. 94, *Consolidation of All Majority-Owned Subsidiaries*

**Statement 131**: FASB Statement No. 131, *Disclosures about Segments of an Enterprise and Related Information* (codified in Accounting Standards Codification Topic 280, Segment Reporting)

**Survey Firm**: Rockbridge Associates, Inc.

**Team**: Post-implementation review team (or *Our, We*)

**Trustees**: FAF Board of Trustees

**US GAAP**: U.S. Generally Accepted Accounting Principles

# POST-IMPLEMENTATION REVIEW REPORT

## BACKGROUND

### *Statement 131*

Statement 131 resulted from the broader consolidations project that resulted in issuing Statement 94 in 1987. For companies with non-homogenous operations (e.g., manufacturing companies with finance subsidiaries), consolidation pursuant to Statement 94 eliminated useful information about those operations. As a result, FASB began the disaggregated disclosures phase of the consolidation project. That phase began in 1992 with the commissioning of a research study on disaggregated disclosures. At around the same time, both the AICPA Special Committee and the AIMR (predecessor to the CFA Institute) also addressed segment reporting, though within the context of improving financial reporting as a whole.

At that time, financial statement users and other stakeholders were placing increased importance on disaggregated information. Stakeholders needed to analyze global entities and the markets they serve as well as diversified entities resulting from mergers and acquisitions.

The FASB's research efforts sought to determine users' views about the usefulness of disaggregated information disclosed under the then-current segment guidance in Statement 14. The research effort looked at perceived shortcomings of the current disclosures and suggested changes to consider.

Financial statement users indicated that many companies defined industry segments too broadly, thereby reporting too few industry segments. Users of large, single segment companies' financial statements felt they were unable to evaluate opportunities and risks at a sufficient level of detail.

The Board concluded that Statement 14's industry approach to segment disclosures did not provide users the necessary useful information. Statement 131 requires entities to identify segments and related information using a management approach. The management approach considers how management organizes segments internally for making operating decisions and assessing performance.

### *PIR Procedures*

Our criteria and procedures for reviewing selected accounting standards are described and posted on the FAF website (Evergreen Process Description). Generally, we will review significant standards that the FASB currently is not reassessing. Our procedures include reviewing the FASB's historical files, conducting stakeholder surveys and questionnaires, reviewing academic publications, reviewing footnote disclosures and other public information for selected public companies, and interviewing stakeholders.

We design our surveys to obtain a variety of perspectives from each of the FASB's principal stakeholder groups. The Survey Firm received 288 responses[1] to our Statement 131 survey: 48% from users of financial statements, 22% from accounting practitioners, 19% from preparers, and 11% from academics. The user survey participants varied by type (e.g., buy-side and sell-side analysts, loan officers, and investment officers) and size of organization. All of the preparer participants were from publicly held entities and about half of those public entities have revenues above $1 billion. The majority of practitioner participants were from accounting firms with revenues over $1 billion. We received responses to our Statement 131 questionnaires from the largest accounting firms and from various user, accounting practitioner, and preparer organizations. Questionnaire responses provided us with the range of experiences and views of these organizations' members and professionals.

## PIR Objectives

The three primary PIR objectives are to (1) determine whether a standard is accomplishing its stated purpose, (2) evaluate its implementation and continuing compliance costs and related benefits, and (3) provide feedback to improve the standard-setting *process* (as opposed to recommending standard-setting *actions*). We divided the first objective further to determine whether:

- The standard resolved the issues underlying its need
- Decision-useful information is being reported to, and being used by, financial statement users
- The standard is operational
- Any significant unexpected changes to financial reporting and operating practices have occurred
- Any significant economic consequences[2] have occurred.

We focused our research, surveys, questionnaires, and interviews on achieving the PIR objectives. We correlated our various research inputs to establish whether there were consistent views. In some cases, there was a great deal of consensus in views. In other cases, the views were diverse. Responses to our surveys did not reach the level necessary to draw statistically valid inferences, but they were informative when considered with our other research. Therefore, our research observations are indications of stakeholder views, not statistically valid inferences. We came to our conclusions using our judgments, considering all the input received, and striving to be objective and balanced.

---

[1] Three hundred fourteen professionals agreed to participate in the survey; however, most of our analysis does not include the views of 26 user participants because either they are not familiar with the segment footnote or they do not use segment information in their investment decisions.

[2] One of the FASB's guiding principles is to be objective in its decision making and to ensure, insofar as possible, the neutrality of the information resulting from its standards. To be neutral, information must report economic activity as faithfully as possible without coloring the image it communicates for the purpose of influencing behavior in any particular direction. We use the term *economic consequences* for PIR purposes to mean effects on: entities' values and/or operations, financial markets, and economic activity. We analyze stakeholder input about economic consequences, as we define it, to determine whether the standard had any unintended effects.

Seldom will stakeholders have unanimous views on whether any standard or its provisions are effective. Given stakeholder diversity, we expect they will have varying views about any standard's provisions and hold such views with varying conviction. In our Statement 131 research we noted that stakeholder views on some issues varied based on respondent type (e.g., practitioners vs. preparers), and size (larger vs. smaller entity preparers and the respective practitioners serving each stakeholder group). Because Statement 131 does not apply to non-public entities or not-for-profit organizations, those factors did not play a role in the diversity of views on Statement 131.

## OBJECTIVE 1: DID STATEMENT 131 ACCOMPLISH ITS STATED PURPOSE?

### *Did Statement 131 Resolve the Issues Underlying the Need for the Standard?*

The FASB reconsidered the segment requirements in Statement 14 because users of financial statements wanted improved segment disclosures. The FASB's stated objectives of Statement 131 are to provide information about the different types of business activities in which an entity engages and the different economic environments in which it operates. Further, segment information is provided to help users of financial statements better understand the entity's performance, assess its prospects for future net cash flows, and make more informed judgments about the entity as a whole. Statement 131's improvements to segment disclosures are described in its basis for conclusions. Those improvements were:

- Segment information in interim financial reports
- More segments for some entities
- More information about segments
- Segments consistent with internal management reports
- Segment information consistent with other parts of the annual report.

Our research indicates:

- Prior to Statement 131, users were dissatisfied with the disaggregated information in segment disclosures. They noted many companies defined industry segments too broadly and reported information on too few industry segments. Prior to Statement 131, companies did not always disclose interim segment information and sometimes companies reported interim segment information on a different basis than their annual segment information.
- Since companies adopted Statement 131:
    - Companies are reporting segment information in interim financial statements, enhancing the timeliness of segment disclosures.

- The amount of disaggregated segment information has increased. Many companies report more segments than they did prior to Statement 131 (although there are indications that some companies might not report a sufficient number of segments).
- The amount and type of information provided about each segment is improved.
- Segment disclosures correspond better with internal management reports.
- There is more consistency between financial statement segment information and information presented elsewhere in the entity's annual report.

**Conclusion**: Statement 131 resolved the issues underlying its need.

## *Does Statement 131 Provide Decision-Useful Information?*

We organized our research around three aspects of decision-useful information: whether or not Statement 131 provides decision-useful information to investors and other financial statement users, whether or not the segment information provided is sufficient for their investment decisions, and how investors and others use such information.

Our research indicates:

- Investors and other financial statement users view the segment footnote as very important to their investment decisions. Investors use segment information for a variety of analyses, including understanding business activities, making judgments about the company as a whole, and understanding future growth prospects. Although a majority of users and academics indicate that most required segment disclosure items provide sufficient information, a significant minority disagree. Most of those respondents attribute the insufficiency to inadequate disclosure requirements rather than lack of compliance with Statement 131. Investors would like the segment footnote to provide more information about each segment—particularly cash flow, gross margin, and working capital information.[3]
- Though investors' overall impression of Statement 131 is positive, they have what some might view as opposing preferences about comparability. That is, most investors indicate that it's important that segment information represent management's view of the business. They also indicate it's important that there be uniformity among similar segments in similar businesses to improve comparability across companies. When asked to choose between the two views, investors appear to prefer comparability among similar segments in similar businesses. Investors with this view might prefer that: segments be determined using a management approach; entities with similar businesses disclose consistent segment line items; and entities measure segment information consistently using, for example, US GAAP

[3] During deliberations, the FASB considered requiring additional disclosures requested by investors, including cash flow by segment and segment liabilities. The Board decided not to require those disclosures because preparers of financial statements indicated that it would not be feasible to determine those amounts and/or the resulting information would not be relevant.

rather than internal measures.[4] A preference for more comparability and consistency across companies would be a change from the preference expressed to the FASB when Statement 131 was deliberated.

- Some users believe the amount and type of segment information, and its consistency with other information provided in financial reports varies among companies.
- Preparers generally believe that the segment disclosures provide decision-useful information to financial statement users.

  **Conclusion**: On balance, entities are providing decision-useful segment information to investors and other financial statement users. However, the amount and type of segment information can vary. Investors today might prefer more segment line item consistency between companies with similar businesses. They also might prefer that segment information be determined using consistent measures.

## *Is Statement 131 Operational?*

Operationality addresses stakeholder views about whether or not the standard "works in the real world." It addresses whether preparers (and practitioners) understand and are able to apply Statement 131's various provisions and report representationally faithful segment information. In addressing operationality, it is important to remember that Statement 131 uses a management approach to defining segments that requires application of judgment. Thus, operationality also encompasses whether the guidance in Statement 131 is sufficient for entities to make the necessary judgments and whether entities can provide the evidence necessary to support those judgments. Statement 131 is considered a principles-based standard because of the management approach and the many judgments that are necessary to apply that approach.

Our research indicates:

- The FASB staff clarified a number of application issues during the initial implementation period.
- There is a high degree of regulatory effort directed toward Statement 131 compliance issues.
- Preparers of financial statements generally understand Statement 131's provisions, can apply them as intended, and can provide reliable segment information. Practitioners, on the other hand, generally think that some aspects of Statement 131 might be difficult to apply because of the judgments required. Those who hold this view think the least operational aspects of Statement 131 are: the guidance related to aggregating two or more operating segments into

[4] During deliberations, the FASB considered requiring segment information to be measured in the same way as the consolidated financial statements. The Board decided that internal measures should be used because segment information might not be meaningful if it is not used for internal purposes and because other measurement approaches would require allocations, some of which would be arbitrary.

a single operating segment and the guidance related to determining operating segments (based on what the CODM receives and reviews).

- Regulatory interpretations in determining segments might differ from management's judgments, making Statement 131 challenging to apply and audit for some companies. These differences might result from the principles-based nature of Statement 131 that emphasizes management judgment over detailed guidance. Preparers and practitioners could benefit from additional guidance on aspects of Statement 131 that regulators raise most often (e.g., application of the aggregation criteria and determination of operating segments).

- Advances in information technology also make the guidance for determining operating segments more difficult to apply and audit. Technology allows more detailed financial information to be available to the CODM. The ability of the CODM to access more detail makes less clear what the CODM "receives" and "regularly reviews." As a result, it might be more difficult to determine operating segments and less clear how to aggregate them.

- A substantial majority of companies reporting a single segment under Statement 14 continue to report as single-segment companies. Academic researchers believe that some of those companies continue to resist providing more disaggregated segments because of competitive harm concerns or to mask poor performing businesses. Many stakeholders believe that some companies might use Statement 131's permitted aggregation of some segments to avoid disclosing competitively sensitive information. Investors and academics also believe some companies aggregate operating segments to mitigate reporting information about declining businesses. The volume of regulatory segment-related comment letters indicates that some companies resist disaggregating their segments for external reporting purposes.

  **Conclusion**: Overall, preparers and practitioners understand and are able to apply the guidance in Statement 131. Preparers generally are able to report segment information reliably. However, the guidance for determining operating segments and aggregating operating segments often is difficult to apply—in part because of advances in technology and the principles-based nature of the standard—and generates continuing discussions between preparers, practitioners, and regulators.

## *Did Statement 131 Result in Unexpected Changes in Practice?*

Our research indicates that consistent with the Board's expectations, companies did not significantly change operating or financial reporting practices. The management approach Statement 131 uses to define segments is generally consistent with companies' internal organization and internal reporting. However, some companies might have changed their internal organization or reporting procedures (e.g., the operating results they give the CODM to review) to avoid disaggregating their segments (possibly to make their segment results less transparent).

**Conclusion**: The changes made to financial reporting and/or operating practices were not significant and were generally of the type and magnitude that stakeholders (and the Board) expected.

## *Did Statement 131 Result In Any Significant Economic Consequences?*

Our research indicates that competitive harm (i.e., divulging sensitive information that could adversely affect entities) was the principal economic consequence[5] stakeholders raised during Statement 131 deliberations. (Some view competitive harm as a cost of complying with the standard.) Generally, stakeholders believe Statement 131 does not result in disclosing competitively sensitive information. However, it is not clear if this belief results from steps companies take to avoid disclosing sensitive information, or because the information disclosed is less sensitive than anticipated.

**Conclusion**: Generally, there have not been any significant economic consequences from application of Statement 131.

## *Overall Impression of Statement 131 and the Segment Disclosures*

We asked users about their overall level of satisfaction with the information provided in the segment footnote. Our research indicates that, generally, users are satisfied with the segment note disclosures. However, approximately one-third of user survey respondents indicate they are somewhat dissatisfied.

We asked all stakeholder groups whether any aspect of Statement 131 should be improved. Only one-third of user and preparer survey respondents believe the standard should be improved, while a majority of practitioner and academic survey respondents believe the standard should be improved. Users who think Statement 131 should be improved would like a requirement to disclose more segment details (e.g., segment cash flows and segment gross margins). Practitioners and academics who think Statement 131 should be improved would like additional guidance, particularly for determining and aggregating segments.

---

[5] Financial reporting has economic consequences and the FASB considers the potential for adverse economic consequences as part of its standard-setting process. That a proposed accounting change might have an adverse economic consequence is an indication that the financial reporting change might significantly influence decision making. In those cases, the Board takes particular care in its deliberations to reevaluate or double-check the neutrality of the information that would result from the proposal. The Board does this to make sure the proposal would not produce biased information that influences decisions in a particular direction, thus maintaining a neutral depiction of transactions and events.

## *Overall Conclusions on Whether Statement 131 Accomplished Its Stated Purpose*

As described previously, the objective of Statement 131 is to provide information about the different types of business activities in which an entity engages and the different economic environments in which it operates. That information should help users of financial statements better understand the entity's performance, better assess its prospects for future net cash flows, and make more informed judgments about the entity as a whole.

**Statement 131 provides more information about entities' different business activities than Statement 14 did. Entities' reported segment information is better aligned with their internal structures and more consistent with financial information reported outside the financial statements.** However, there are indications that some entities (particularly those reporting only one segment) are not reporting a sufficient number of segments.

**Overall, Statement 131 enhanced the relevance of segment disclosures. Additional disaggregated information and improved alignment allows investors to understand better the different types of activities in which an entity engages and its prospect for future growth. In addition, investors use the improved segment information to make judgments about the entity as a whole.** However, reported segment information is not always sufficient for their investment decisions. Users would like more segment information (e.g. gross margin and cash flow). Users also might like more consistency across companies in the amount, type, and measurement of information disclosed.

**In general, Statement 131's requirements can be understood, can be applied as intended, and result in reliable information.** However, the guidance for determining and aggregating operating segments might be difficult for some companies to apply—in part because of advances in technology and the principles-based nature of the standard—and generates continuing discussions between preparers, practitioners, and regulators.

**Statement 131 did not result in any significant changes in operating or financial reporting practices, nor did it have any significant economic consequences.** However, some entities might be aggregating segments to reduce transparency because of competitive harm concerns or for other reasons.

## OBJECTIVE 2: STATEMENT 131 COSTS AND BENEFITS

## *Are Statement 131's Implementation and Continuing Application Costs Consistent with the Costs the Board Considered and Stakeholders Expected?*

Our research indicates:

- The FASB expected that the incremental costs to implement and apply Statement 131 would be minimal. The management approach would mitigate most costs related to changing reporting requirements because companies were already preparing the information for internal reporting purposes.

- Preparers' incremental costs to implement and comply with Statement 131 generally were not significant and were in line with expectations.

  **Conclusion**: The costs to implement and apply Statement 131 are generally consistent with the costs (in magnitude and type) that the Board considered and that stakeholders expected prior to issuing Statement 131.

## *Are the Benefits of Statement 131 Consistent with the Benefits the Board Intended and Stakeholders Expected?*

Our research indicates:

- The Board (and users of financial statements) expected the following benefits when it issued Statement 131:
  - Some companies will report a greater number of segments
  - Most companies will report more line items/information about each of their segments
  - Companies' segments and information about those segments will correspond to their internal management reports and will be more consistent with other parts of their annual report (e.g., MD&A)
  - Interim financial reports (e.g., 10-Q filings) will include segment information.
- Preparers of financial statements expected that their segment disclosures would be easier and less costly to prepare. Preparers also expected the reported segment information to be more meaningful to users of their financial statements.
- Investors benefit from increased disaggregated information and the increase in the amount and type of segment information disclosed.
- Statement 131 has produced an overall increase in the correlation between companies' reported segments and their internal operating segments. There is improved consistency between companies' segment information and other parts of their annual reports. Interim financial reports include the required segment information.

  **Conclusion**: Application of Statement 131 has achieved the benefits that the Board and others expected.

## *Overall Conclusion on Statement 131's Costs and Benefits*

**Both the costs and the benefits associated with Statement 131's required segment disclosures are consistent with the Board's and stakeholders' expectations.**

## OBJECTIVE 3: STANDARD-SETTING PROCESS IMPROVEMENTS

The FASB issued Statement 131 over 15 years ago. The FASB's standard-setting process has changed considerably since the mid-1990s. We note the following aspects of the standard-setting process that worked well and contributed to the success of the project:

- Users were actively involved in the project from its early stages and the related research performed by the AICPA Special Committee and the AIMR.
- The Board held public meetings at which both preparers and users worked together to address segment reporting issues.

**We have no significant standard-setting process recommendations as the result of our post-implementation review of Statement 131.**

## PIR PROCESS

We received valuable stakeholder input on our PIR process from the Statement 131 survey and questionnaire respondents and from our "collaborator" organizations. We will consider that stakeholder input during our internal review of the Statement 131 review process. We will modify and improve our PIR process after that internal review and as we complete our reviews of other standards.

***Statement 131 Post-Implementation Review Team:***

Mark Schroeder, Team Leader

Kim Petrone, Senior Project Manager

*December 2012*