

ROLE OF XBRL TOOLS IN CORPORATE REPORTING

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ABSTRACT

XBRL is new buzz word in business reporting world which is becoming more and more popular as the days are passing. It stands for eXtensible Business Reporting Language. It is the new language for preparing and communicating business reports by the companies to the stakeholders. One of the material features of xbrl is that it is the new generation language which uses electronic medium for processing and communicating financial statements and reports. Due to this feature of xbrl the need for special XBRL Software's arises. These xbrl software's have the ability to convert traditional financial statements into xbrl format financial statements. There are various types of xbrl tools available in the market. In this article evaluation of these xbrl tools in general are studied. The data used is of secondary nature.

Keywords: Business reporting, Corporate reporting, Evaluation for xbrl tools, XBRL Software's.

INTRODUCTION

XBRL Tools are the software applications which enable the users to easily prepare and create financial statements in XBRL format. These tools also help various accountants and investors to view and extract financial data very easily from these xbrl reports. The users of accounting information now belong to the new generation era and are demanding fast and quality corporate reports on their laptops and mobiles. The needs of the internet generation can be fulfilled by converting the traditional financial statements in hard paper form into soft electronic financial statements. This can be possible by using XBRL tools. These tools allow the user to create, extract, process, analyse and communicate the financial statements in electronic xbrl format. XBRL tools are now playing significant role in new generation corporate reporting process.

OBJECTIVES OF THE STUDY

The objective of this study is to analyse and throw some light on the significant role played by XBRL tools in the corporate reporting process of present time.

DISCUSSION

The role of various XBRL tools in the present era can be seen in the various quality benefits these tools provide to the accountants, investors, regulators and various other interested users. The role of XBRL tools can be discussed as follows:

- 1) **Aware users about latest XBRL Filing Process:** Various XBRL tools allow the users to keep up with the latest XBRL filings. These tools contain updated information and data about XBRL filing process which helps in the awareness of the users. Whenever any user prepares reports in xbrl on these tools then they intimate the users at once about the recent guidelines and rules related to the filing process. This greatly helps the users in reducing their filing failures and delays in submitting their XBRL reports.
- 2) **Provides Direct Link to SEC:** Various XBRL tools provide the facility to submit the XBRL reports directly by just clicking an option given on their software tool. This option has direct link to the website of SEC. This facility helps the users in submitting their XBRL reports directly to the Security Exchange Commission.
- 3) **Viewing and Extraction of XBRL data:** XBRL Tools allow the users to easily extract XBRL data. It means any information which is given in XBRL format can be viewed and extracted by using these software tools in simple and easy way.
- 4) **Proper analysis of XBRL data:** XBRL tools allow the users to do a proper and adequate analysis of information given in the XBRL format. User can make comparisons and apply techniques of financial analysis very easily on data in XBRL format and as a result a fast and reliable analysis of information can be achieved. As a result of this all the users of the accounting information get reliable data in their hands and their confidence is increased manifold.
- 5) **Creation and preparation of Instance Documents:** XBRL Tools allow the users to create instance documents (XBRL Reports) in XBRL format in a fast and easy way. Instance Document is the final report of xbrl and is therefore heart of any xbrl process. These tools help the users to prepare quality xbrl reports.
- 6) **Easy Validation of XBRL data:** XBRL Tools allow the user to validate any data in XBRL format. Validation is a process of checking whether the XBRL report is prepared with proper rules and requirements before filing with the SEC. So XBRL Tools improve the quality of XBRL Data.
- 7) **Collaborating Facilities:** XBRL Tools facilitates collaboration when creating documents in XBRL and other formats. Some tools have features like real time collaboration, smart editing controls, rich data linking and embedded XBRL and XML tags, and a filing engine which makes it easy to submit documents directly to regulators.
- 8) **Full control over XBRL data:** Various XBRL tools provide explicit control over how data is extracted and manipulated. Users can do various calculations and treat XBRL data in variety of ways for proper analysis.
- 9) **Eliminating any errors of manual process:** Some tools convert Excel templates or build new ones for automatically loading data from newly submitted XBRL reports. This eliminates all the errors of the manual process.
- 10) **Saving of Time and Costs:** XBRL tools help the users to prepare XBRL reports automatically from the available financial information. This eliminates any errors which pose big problem in manual process. These errors lead to high costs and delay in filing of XBRL reports. Thus it saves lot of time and costs for the users.

- 11) **Allow use of other Software Applications with XBRL:** XBRL Tools allow the users to create XBRL reports in various application programs like MS Excel, MS Word, etc. Therefore any user can use various other popular programs very easily and efficiently while working with XBRL reports.
- 12) **Encouraging widely adoption of XBRL:** These XBRL tools are making XBRL easy to adopt by various companies. Many companies which were shying away from XBRL language in the past are now becoming more and more comfortable in using XBRL in their corporate reporting process due to the easiness of these XBRL tools. So XBRL is being adopted by more and more companies.
- 13) **Adding more values to XBRL:** XBRL tools are adding more values to XBRL reports. They are providing various facilities to the users for making XBRL more useful. XBRL tools are allowing the users to use the benefits of xbrl in the full capacity and thus giving pure satisfaction to the users of accounting information.

CONCLUSION

From the above study, it can be concluded that there are various benefits of xbrl tools and they play very wide role in corporate reporting process. XBRL tools are at evolving stage and will come up with more quality benefits in corporate reporting process in the near future.

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