

Integrating Detail with End Reporting

BY GIANLUCA GARBELLOTO

Do you ever get to the end of the day and have no idea where the time has gone? Many businesses are like that: You have some results, but you have no clue how you got there. When creating financial reports and tax returns, it can particularly come back to bite you.

“Where did that number come from anyway?” is *not* a question you want to be asking.

XBRL International recently published a new Public Working Draft regarding a new module for the XBRL Global Ledger (XBRL GL) Framework that can help you manage your reports and facilitate drilling down from the numbers by which you manage to the underlying details that support them. This new module is known as the Summary Reporting Contextual Data module (SRCD). In other words, it helps you know that all of your summary numbers are properly “SouRCeD.”

It seems logical that there should be a very close relationship between business details and numbers representing the summary of those results over a period of time and/or under certain conditions. There are reconciling items to deal with, including

adjustments, allocations, and timing differences, but, in general, detail should agree with or reconcile to the results as summarized on end reports. That should mean that the data in end reports should be traceable back to the detail. How often is this the case? While I’m sure that your numbers aren’t derived by the “How much in taxes do you want to pay this year?” method of books and records, the obvious relationship between summary and detail is sometimes elusive.

Then there is the promise of XBRL. Someday, end reports will be merely a happy by-product of a standardized business reporting environment, though I’m not entirely objective when I say that XBRL GL is a key facilitator to that information environment being

fully integrated. When this is the case, however, systems will be able to process information with full traceability from initial entry into a system through the end report.

In most situations, however, that day still hasn’t arrived. Most XBRL end reports begin in paper form. The financial statement is already printed and off to the stockholders before the process to tag it up using a financial reporting taxonomy begins. At this point, it’s already at the end of the line. The gossamer thread between those management assertions and the underlying data is



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difficult to trace despite rules that management—and auditors—need to be able to prove that the end assertions agree with or are reconciled to the underlying data.

Until end reporting is a by-product of an XBRL-enabled business process, XBRL reports will be based on paper. XBRL's "magic bag" of financial reporting tricks doesn't include any formal means of tying summaries to detail. Therefore, a means to tie the detail to the end reporting is necessary.

This is where the new module comes in. SRCD is a modular extension of XBRL GL's existing capabilities, and it unambiguously links detail to end reporting—a solution to providing a seamless audit trail between XBRL FR and XBRL GL. Its development was both a concession to the popularity of end reporting as a starting point for XBRL adoption and recognition that more powerful capabilities for templates and queries needed to be added to XBRL GL.

Though I described SRCD's development as, in part, a concession, it is difficult to call XBRL's success at standardizing end reporting a bad thing. You have heard from me and others about the great new efficiencies, increased accuracy, and timeliness it has brought to bank filings with the FDIC as well as about the zeal of SEC Chairman Christopher Cox in relation to the increased transparency XBRL can bring to the markets while allowing companies to "tell their own story." Therefore, adding new data fields to XBRL GL to provide an unambiguous link from those end reports to the related detail in XBRL GL files became a necessity.

An example of this need is in typical segmental reporting. Geographic segments in an end report are far

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less detailed than the information stored in the underlying transactions, so end reports "lose" information about geographic segments that doesn't have to appear in a summarized report but is necessary for many purposes. When summarizing the detail to a particular kind of report, the link between the end report and the detail is made possible by the ability to communicate within the XBRL GL file itself that information should be grouped by categories described in the end report.

The SRCD module allows this "hard-coding" of segmental information as well as other grouping information (such as the date range of transactions being reported on, the level of numeric precision to expect from the summation or other summarization of numeric information, and the reporting scenario). In this way, moving from detail to summary or summary to detail is facilitated by unambiguous linking as necessary or desired.

In regard to the need for improved, more powerful capabilities for templates and queries, it's important to remember that the Global Ledger isn't just historical data. It is able to represent master files, and

that can include links from accounts to end-reporting concepts for later use. With SRCD, it's now possible to indicate that "The quantities when we are working with inventory will be summarized to a specific XBRL end-reporting concept, but, when we are working with supplies, it will go to a different concept." You can also now communicate, "Use the accounting effectiveness data when preparing a trial balance for the general ledger, but use the document maturity date when preparing an aged open accounts receivable trial balance."

The new SRCD module supplements the existing ability to broadly associate information from within an XBRL GL file and identify the field to be summarized as the source and the XBRL elements to be used as the targets. Now you will be able to hard-code the linkages between existing instances and provide the information necessary to define the parameters of the end reports so that they can be created automatically from the underlying detail.

Have we succeeded? Take a moment to review SRCD and its explanatory materials—available at www.xbrl.org/GLFiles—to see how this connection can and will take place, consider if it meets your needs, and provide feedback to me. Keep watching the GaLaPaGoS website at <http://gl.iphix.net> for samples and webcasts on the topic. ■

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