# Chat with Tony 23 May 2013

## UK Taxonomies

### DPL

#### Use of Anonymous Dimensions

Peter Calvert has now come out with a list of how to use these. But snacks very much of trying to justify what has been created rather than finding let alone saying that there ever was a proper purpose for Anon Dimensions. (See PDF attachment)

#### Variations

TH was not aware that there was a DPL GAAP and a DPL IFRS.

(CW needs to check what the differences are)

### Calculation Linkbase.

Peter Calvert has stated that he sees no need to ever have this in any UK taxonomies. His rationale is that this is all handled by the various AP programs; they have the NL charts, DE logic etc., so putting Calculations into Taxonomies would just be wasteful duplication. All the Taxonomies have to focus on are the Element values.

This seems very dangerous attitude. We know that many sets of accounts are not even produced by AP systems, but a series of very complex and fragmented spread-sheets/work sheets. SAPA probably has one of the most sophisticated NL structures of an AP system, but even that is not a proper reflection of an entities full GL system. Caseware does not have any sort of proper NL structure. We know that TRAP is heading away from a CoA and towards a very simple TB plus huge numbers of schedules. From feed-back that Tony gets re his own sophisticated NL for IFRS, it is unlikely that Sage will try to use anything this complex or comprehensive.

In short AP systems are moving away from being proper DE CoA based programs, but HMRC are going to assume/pretend that AP systems have it covered. Inevitable result will be an ever widening chasm of unchecked logic. (This really serves to highlight how XBRL is doomed to utterly fail in its original aim. How can something be properly semantic if various bits of the “grammar” are left undefined? It will end up being a “language” with just lots of little sentences, but no way of writing a decent novel. Bit like trying to write the works of Shakespeare using the SMS abbreviations of “texting speak”.

### Tuples

Reducing, but not disappearing. Cease for Monetary and Numeric data, but retain for Text data. (see PDF)

### Version Control

Intention is to bring in version control on future versions of the UK taxonomies. See section Other Intelligence in the PDF. You will note that at least one software house, Caseware, will find this a major problem. (They tag current and previous years data, but then on balance forward store the current year’s data with same tags as the comparatives).

## Adoption of IFRS in USA

TH also aware that there had been a poor take-up of IFRS standard in USA. Thinks the issue is not intrinsic to IFRS itself, just a an American attitude to anything not invented by them.

XBRL in general

Discussed how the various XBRL taxonomies had each approached the same tasks so differently. I commented that this seemed all against the original idea, and in particular what a waste when the whole thing was largely developed by one person (Charles Hoffman) only 14 years ago. Perhaps better if it had been called Global Business Report Language (GBRL) rather than Extensible Business Report Language. Seemed akin to having someone invent an alphabet and some initial rules of grammar as the first stage in developing a new language, but finding everyone running off with this and writing their own language. So we end up with English, French, Spanish etc. but they are significantly in the meaning of their words or even their sentence construction.

## CoA

Both TH and I agree that a CoA is crucial to controlling the accuracy of accounts output. Sage, like many other software houses, no longer appears to see this, perhaps because few of the younger accountants have ever constructed a full set of accounts. They are used to working with subsets within an SS environment.

So it looks as though the very comprehensive IFRS NL chart Tony helped design in 2009 will not be used. Tony said what you really wanted was a comprehensive Code list which not only had sub codes, but also Attributes. Ideally these additional attributes could be selected by the User from some simple pull down list. Said I agreed, and pointed out that with his “attributes” feature, this was effectively handled by the UK GAAP with its extensive use of Hypercubes and Dimensions. In fact this went even further because it made attributes specific to each main type of NL rather than universal. In addition one could imagine being able to put checks in so that a DE Journal was prime facie sensible e.g. could not have a Debit going to a Depreciation account, but the Credit going to a Cash account.

As a related aside looked at the Digita / Thomson Reuters site. Digita are still showing Accounts Pro 5 (now up to 5.3), but not 6 unless you go to the IFRS formats page.

<http://www.digita.com/pro2011/software/accounts-production/ifrs.aspx>

Here it is referred to by the Onesource name and does seem to be showing v6 in under the BENEFITS OF IFRS the first two bullet points talks of:

* Save time by using the automated trial balance import. Accounts codes are created dynamically based on the client trial balance and can then be assigned directly to report categories.
* Four default category structures (Balance, Changes in equity, Expenses by function, Expenses by nature) facilitate populating the primary statements and notes to the accounts.

### Related Parties – Associations, Subsidiaries.

Agreed that very likely that an entity would go from Associate, to part-owned Subsidiary to wholly owned Subsidiary over a number of accounting periods.

CW then pointed out how much was common between Related Parties, FAIHoldings, Associates, JVs and Subsidiaries, and that XBRL taxonomies did not draw this out.

TH agreed, but said he also suspected that the for the very large corporations for which this was important, they may well have different teams of auditors in different countries/regulatory jurisdictions, drawing out slightly different data according to the local rules. Worth bearing in mind that most likely each entity would have its own GL system, and there may not be total consistency between them – in part from local reporting regulations as much as lack of group wide accounting integration. Interesting point. Something I came across relevant to this was this

<http://onesource.thomsonreuters.com/share/solutions/workflow-manager/workflow-manager/33410/ONESOURCEWORKFLOWMANAGER>

from Thomson Reuters.

## Sage

TH said that Sage had some behind the scenes logic in SAP and SAP that looked at the nature of a figure e.g. if it represented a sum or total. It would then apply logic re use of the most general tag in primary reports i.e. per para. 4.7 of the XBRL UK Preparers and Developers Guide March 2010.

In addition to the XBRL capability being developed inside SAPA and SAP, Sage are also developing their own tagging tool. This is designed to handle accounts not produced in SAP or SAPA, or in fact any AP system, but accounts produced in Word form. So beside handling very large and complex companies, will help them get round the issue of specialist formats such as LLPs, Limited Company Farms, Clubs and Associations and Charities, for which SAP(A) is many years away from handling itself.

Think the idea is also that could take an HTML/XBRL output from SAP(A) and read it through the Tagging Tool. So could further customise the XBRL tags.

TH reckons that SAPA can automatically tag just over 90% of the XBRL output. User then has to go through and make manual choices over the remaining 10%. But still have problem that further adjustments are made to the accounts, and then have to repeat this manual editing each time. When TH asked people in the Tax Department and Compliance department re XBRL tagging, he got impression that there was a lack of co-ordination and communication between the various teams. No one is looking at the big picture.

Looking at the XBRL technology

Talking of not looking at the big picture it is clear that no one at Sage is looking at XBRL as a concept. Everyone is just pre-occupied with getting through the HMRC Gateway. Beyond that, nobody has any interest. Suspect that this is the case for the other software houses, certainly the UK ones.

CW commented that the upshot of this attitude of just tick the XBRL tagging boxes is that AP systems are just getting more complex and fragmented, and potentially unreliable. Doing quite the opposite of what they should be doing (and perhaps the likes of Peter Calvert blindly think they are doing).

## Accountex Exhibition

Looking to go up on Thursday 6th June 2013

<http://www.accountex.co.uk/>

Exhibitors

<http://www.accountex.co.uk/exhibitors/>

Speakers

<http://www.accountex.co.uk/seminars/>

Tony and I are thinking we will get to Excel for about 11.00am and leave about 3.00pm. We can do this on cheap off peak trains. If we think the time is too short, could always book a much later train, e.g. after 7.00pm.

I am happy to whizz through and get a feel. Think that can do much better for in-depth analysis on-line for any speaker, product or company that looks interesting.

Big thing here is to meet people.

There are many familiar faces and companies.

Looking at the seminars, nothing grabs me as really mind blowing. Either the topic is not right, or the speaker does not look of sufficient calibre. In other cases, get the impression that they are just pushing their in-trenched commitments/position, e.g. Max Thomas of Thompson Reuters sounds like a public justification for not risking going to a pure Cloud product.