

xBRL EUROPE

**25th XBRL EUROPE
DIGITAL WEEK**

Online conference

15-18th June 2020



DATA QUALITY

- Pierre Hamon
- Etxetera
- XBRL France





Quality is
“fitness
for use.”

High-quality product

- what customers want
- in such a way that they actually use the product

High quality Financial data

CONFORMITY
Accuracy
Completeness

Reliability
Granularity

Representing a report in iXBRL does not ensure the quality of the data

What has changed?

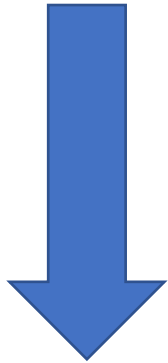
*“If I had asked people what they wanted, they would have said faster horses.”
Henry Ford*

- **Structured data exists for automated use.**
- **Accountants and other financial reporting players** need to learn to work with computers and **develop their digital skills.**

- **What's the point of a financial report in iXBRL if the preparer**
 - doesn't understand the errors it contains
 - or if he doesn't even know the nature of the errors that may exist?

How computers work?

Subjective



Implicit

It is hard to agree where there is subjectivity.

15-18 June 2020

Machines do well with explicitly provided information.

Facts are objective

Explicit

Stated clearly, in detail and completely, leaving no room for confusion or doubt about

the meaning

25th XBRL Europe Digital Week

Judgment



Ambiguous

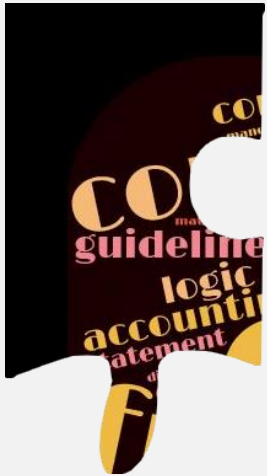
It is extremely difficult to impossible to get a machine to exercise judgment.

5



The different pieces of the puzzle

XBRL is the support of all parts but only their assembly leads to quality.



The XBRL technical specification



You didn't get it?

No big deal, any good XBRL reporting software takes care of that



XBRL structures

You don't understand everything?
The software validates for
compliance

**but there are still few technicalities
which it is necessary to become
familiar with:**

Concepts, Balance, Period, Tables, Axis,
Members, Line Items, and Abstracts...

<https://www.xbrl.org/guidance/xbrl-glossary/>

Entity-specific disclosure

Disclosures included in a report that are specific to the reporting entity, or to a small number of reporting entities. Such disclosures require special handling in XBRL as it is not practical for the **base taxonomy** to include the **concepts** and **dimension members** needed to report all such disclosures for all entities. In order to facilitate the tagging of such disclosures, mechanisms such as **entity-specific extension taxonomies** may be used. Entity-specific disclosures are common in **open reporting** environments, but do not occur in **closed reporting** environments.

Entity-specific extension taxonomy

An **extension taxonomy** that is created by the preparer in an **XBRL report** in order to disclose information that is specific to the reporting entity (see **entity-specific disclosure**).

Extension taxonomy

A taxonomy that is constructed using or extending a **base taxonomy** (a **base taxonomy**) as a starting point. Extension taxonomies are created by a different entity from the author of the **base taxonomy**. Extension taxonomies are created by **preparers** (see **entity-specific extension taxonomy**), or by a **collector** making use of a **base taxonomy** such as a **base taxonomy** in its body.

Fact

A fact is an instance of a **concept** (e.g., **asset**), and associating it with a number (units, entity, period, other dimensions) that together uniquely define a **data** point. A fact is represented by a **value** submitted to a **collector**. This will include an **XBRL report** and such as an **extension taxonomy**.

Filing

The file or set of files and material usually provided in conjunction with **filing** helps **preparers** to create filings correctly. For example, this may include a selection of **concepts** or the scope of the tagging that should be applied. The application of filing guidance cannot be automatically validated, and needs the judgement of the **preparer** to apply.

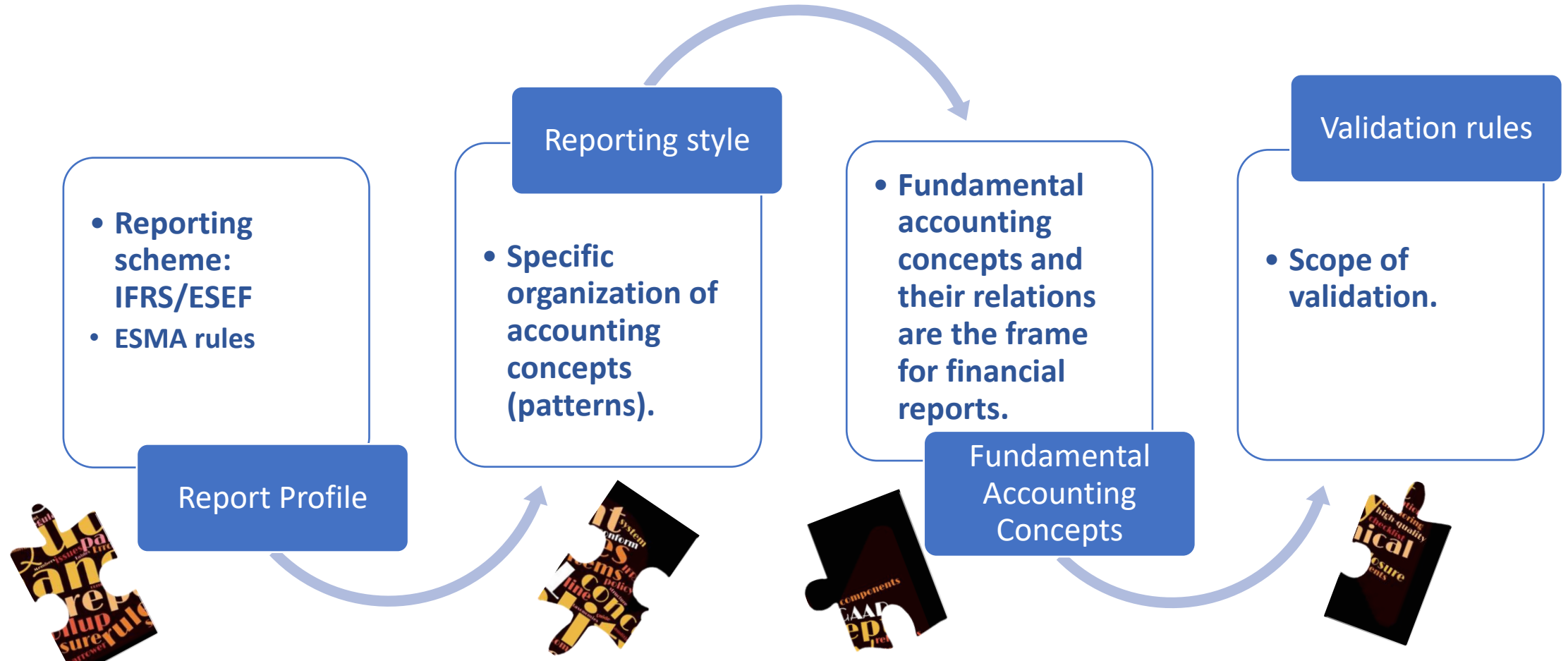
Filing rules

Validation rules that are driven by the technical requirements of the filing system in order to ensure interoperability. Examples of filing rules include specifying which versions and modules of the XBRL specifications may be used in **filings**, any applicable file size limits, restrictions on if and how extension taxonomies should be constructed. Filing rules will usually be enforced by the **collector's** submission system.

Inline XBRL

See **XBRL report**. The terms **inline XBRL** and **IXBRL** are used interchangeably.

What can go wrong ?



± 80 European companies report in IFRS

- 73 Classified balance sheet
- 45 Income statement by function

There are a wide variety of errors that could occur in the tagging of Financial statements that would impair the quality of the structured data.

Errors and inconsistencies in data tagging, in large part, result from:

- **Absence of unambiguous guidance for using the ESEF/IFRS taxonomy.**
- **Lack of corporate awareness of errors in their filings.**

The quality and usability of XBRL data is primarily determined by the quality of the tagging of the data.

Ruleset: **Data Quality Committee (DQC)**

Company:

Login above to see proposed DQC rules.

[Search](#)

[Clear](#)

1 - 20 - Recent Filings: sanofi - DQC Errors

[Next](#)

Company	Filed on	Taxonomy	Document	Inline	Error Count
Sanofi	Mar 05, 2020	IFRS 2019	20-F	Yes	33 Errors
Size: Large Accelerated Filer		Period End: 2019-12-31		CIK: 0001121404	
This filing contains 33 errors.		Show Details		Inline document on EDGAR	
Deutsche Bank Aktiengesellschaft	Mar 20, 2020	IFRS 2019	20-F		85 Errors
NOVARTIS AG	Jan 29, 2020	IFRS 2019	20-F		55 Errors

<https://xbrl.us/data-quality/filing-results/dqc-results/dqc-results-3/>



Reporting profile

The set of accounting principles commonly referred to as a reporting scheme:



- Base taxonomy: ESEF/IFRS
- ESMA articulates its rules in the ESEF reporting manual.

InvestmentsInSubsidiariesJointVentures
AndAssociates
The amount of investments in subsidiaries, joint ventures and associates in an **entity's separate financial statements**.

Styles in IFRS taxonomy

101-Balance Sheet, Classified (BSC)
Balance Sheet, Classified [Table]
Balance Sheet [Line Items]
Assets [Roll Up]
Current Assets
Noncurrent Assets
Assets
Liabilities and Equity [Roll Up]
Liabilities [Roll Up]
Current Liabilities
Noncurrent Liabilities
Liabilities
Equity [Roll Up]
Equity Attributable to Parent
Equity Attributable to Noncontrolling Interest
Equity
Liabilities and Equity

102-Balance Sheet, Unclassified (BSU)
Balance Sheet, Unclassified [Table]
Balance Sheet [Line Items]
Assets [Roll Up]
Assets
Liabilities and Equity [Roll Up]
Liabilities [Roll Up]
Liabilities
Equity [Roll Up]
Equity Attributable to Parent
Equity Attributable to Noncontrolling Interest
Equity
Liabilities and Equity

103-Balance Sheet, Net assets
Balance Sheet, Net assets [Table]
Balance Sheet [Line Items]
Assets [Roll Up]
Assets
Liabilities [Roll Up]
Liabilities
Net assets
Equity [Roll Up]
Equity Attributable to Parent
Equity Attributable to Noncontrolling Interest
Equity

Consolidated Balance Sheets - EUR (€) € in Millions		Dec. 31, 2017
Assets		
Property, plant and equipment		€ 9,579
Goodwill		40,264
Other intangible assets		13,080
Investments accounted for using the equity method		2,863
Other non-current assets		3,364
Deferred tax assets		4,290
Non-current assets		73,440
Inventories		6,816
Accounts receivable		7,216
Other current assets		2,005
Cash and cash equivalents	[1]	10,315
Current assets		26,352
Assets held for sale or exchange		34
TOTAL ASSETS		99,826
EQUITY AND LIABILITIES		
Equity attributable to equity holders of Sanofi		58,089
Equity attributable to non-controlling interests		169
Total equity		58,258
Long-term debt		14,326

~~ifrs-full: CurrentAssets~~

ifrs-full: CurrentAssetsOtherThanAssetsOr...

Block error

Failure to comply with the selected style leads to accounting errors:

. *For example:* The concept used does not correspond to the reference to IFRS or the definition included in taxonomy.

Misclassification error

Failure to comply with the fundamental accounting concepts relations leads to accounting errors.

Total liabilities	1,406,633
Common shares	5,291
Additional paid-in capital	39,918
Retained earnings	17,454
Common shares in treasury, at cost	(9)
Equity classified as obligation to purchase common shares	0
Accumulated other comprehensive income (loss), net of tax	520
Total shareholders equity	63,174
Additional equity components	4,675
Noncontrolling interests	250
Total equity	68,099

ifrs-full_OtherEquityInterest

- For example: TOTAL EQUITY = EQUITY attributable to parent + Non controlling interests is not valid

ifrs-full:EquityAttributableToOwnersOfParent

ifrs-full:IssuedCapital

ifrs-full:SharePremium

ifrs-full:TreasuryShares

ifrs-full:OtherReserves

ifrs-full:RetainedEarnings

ifrs-full:OtherEquityInterest

ifrs-full:AmountRecognisedInOtherCompre

ifrs-full:NoncontrollingInterests

ifrs-full:Equity

Misclassification error

Failure to comply with the fundamental accounting concepts relations leads to XBRL representation errors.

. For example: Other current liabilities is part of Current liabilities

AND

Total current liabilities is not reported
it is in fact Current financial liabilities

Total equity	3,381
Long-term liabilities	
Long-term financial liabilities	12,355
Current financial liabilities	
Trade payables	1,084
Current financial debt	170
Other financial liabilities	20
Total current liabilities	1,274
Other current liabilities	
Income tax provision	
Other provisions	2,535
Other current liabilities	303
Total other current liabilities	2,838
Total liabilities	4,112
Total equity and liabilities	€ 19,848

← IFRS-full: ~~CurrentLiabilities~~

← IFRS-full: OtherCurrentLiabilities

Validation rules

The XBRL instance and the XBRL taxonomy MUST be checked for and proven consistent in terms of:

- Mathematical relations (roll ups, roll forwards, member aggregations),
- Extensions and anchoring,
- Any other accounting/reporting logic.



Extension error

Total operating expenses	(311,749)
Operating income	43,303
Share of profit from associated companies	802
Interest income	140
Interest expense	(40,109)
Fair value gain on derivative financial liabilities	2,154
Other financial income/(expense)	443
Profit before tax	6,733
Income tax expense	(131)
Profit for the year	6,602
Attributable to the owners of parent	\$ 6,602

Failure to look-up in the base taxonomy organization and relations can lead to unnecessary extensions.

~~db_ProfitForTheYear~~

ifrs_Profit(loss)

• For example: a specific entity disclosure (extension) has being created. The concept exist under another name in the IFRS taxonomy

Tagging errors

Consolidated income statements - DKK (kr) kr in Thousands	12 Months Ende	
	Dec. 31, 2019	Dec. 31, 2018 [1]
Consolidated income statements		
Revenue	kr 41,333	kr 37,977
Royalty expenses	(415)	(3,356)
Research and development expenses	(561,423)	(438,219)
Administrative expenses	(67,881)	(43,543)
Other operating income	444	1,099,526
Operating result	(587,942)	652,385
Financial income	14,655	9,988
Financial expenses	(3,390)	(37,322)
Result before tax	(576,677)	625,051
Income tax	5,136	(43,773)
Net result for the year	kr (571,541)	kr 581,278

- Tagging errors result in **Mathematical errors** in the XBRL representation of a fact.
 - For example, providing a value for a fact that is NEGATIVE when it should be POSITIVE.
 - Rounding errors.
- *For example:* wrong sign and wrong calculation

ifrs-full:ProfitLossBeforeTax	625 051 000	-576 677 000
ifrs-full:CurrentTaxExpenseIncome	43 773 000	-5 136 000
ifrs-full:ProfitLoss	581 278 000	-571 541 000

Equity at end of period at Dec. 31, 2018	30,669,000,000	10,640,000,000	16,859,000,000	€ 33,249,000,000
Equity at end of period (in shares) at Dec. 31, 2018				2,660,056,599
Effect of IFRS application	2,000,000			€ 2,000,000
Balance after effect of IFRS application	30,671,000,000	10,640,000,000	16,859,000,000	33,251,000,000
Consolidated comprehensive income	3,075,000,000			3,307,000,000
Share-based compensation	52,000,000			55,000,000
Purchase of treasury shares	(34,000,000)			(34,000,000)
Dividends	(1,857,000,000)			(2,105,000,000)
Subordinated notes remuneration	(297,000,000)			(297,000,000)
Changes in ownership interests with no gain/loss of control	4,000,000			5,000,000
Changes in ownership interests with gain/loss of control				2,000,000
Other movements	114,000,000			233,000,000
Equity at end of period at Dec. 31, 2019	€ 31,727,000,000	€ 10,640,226,396	€ 16,859,000,000	€ 34,416,000,000
Equity at end of period (in shares) at Dec. 31, 2019				2,660,056,599

Consolidated net income	3,226
Net income attributable to owners of the parent company	3,006
Non-controlling interests	€ 220
Earnings per share [abstract]	
Net income of continuing operations - basic (in euros per share) € / shares	€ 1.03
Net income of continuing operations - diluted (in euros per share) € / shares	1.02
Net income - basic (in euros per share) € / shares	1.03
Net income - diluted (in euros per share) € / shares	€ 1.02

Scaling and datatype errors

- Tagging errors could also result in a wrong representation of a fact in XBRL.
 - For example, “**Number of shares**” presented in the statement of changes in equity and scaled as millions as the monetary values.
 - For example, “**Earnings per share**” defined as decimal instead of PerShare



Knowledgeable person are individuals who understand

- the ESEF rules,
- the accounting disclosures,
- the intricacies of the XBRL itself,

and then are able to apply that experience to the XBRL document



Questions or
comments in the chat?

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