

THE INTERNATIONAL LANGUAGE OF INFORMATION XBRL, IN THE TULUÁ SMES.

CARLOS EVELIO LÓPEZ CEBALLOS.
COLOMBIA-VALLE DEL CAUCA.
UNIDAD CENTRAL DEL VALLE DEL CAUCA.
Cra. 27 # 48-144 Km 1, sur.
celopez@ucev.edu.co

Abstract: The following is a report on the results obtained from a research carried out in the city of Tuluá, Valle del Cauca, Colombia; with regard to the applicability of the eXtensible Business Reporting Language (XBRL) international standard in Small- and Medium-sized Enterprises SMEs, which is in accordance with the international financial information standards and information assurance, which countries must adopt for the presentation of financial and non-financial information, by companies, nationally and globally, in order to improve their competitiveness, as well as their economic growth.

Keywords: taxonomy, jurisdiction, economic sectors, metadata.

1. Introduction.

The adoption and implementation of the *International Financial Reporting Standards* (IFRS), by all the member countries attached to the *International Accounting Standards Boards* (IASB) is the means by which organizations information.

2. Problem Formulation

Given the above, the implementation of international financial reporting standards (IFRS) in companies is already a fact, given that Law 1314 and its regulatory decrees 2784 for large companies, 3022 for SMEs and 2706 for microenterprises, so regulate, now well are the public accountants and companies of Tuluá prepared in the XBRL language, to respond to a globalized world ?.

2.1. Methodology.

The research work was of the interpretive and comprehensive type. Interpretive because the elements, characteristics and functionalities of the XBRL international standard were identified and

worldwide have the same language regarding the company's financial information as well as other relevant information for the company itself and the stakeholders, so that they could use it to make different types of financial and commercial decisions regarding the enterprise that generates the

analyzed in a bibliographic review on the different concepts that the XBRL standard involves.

Comprehensive, because the new requirements for the adoption of XBRL by companies were determined through the analysis, with the sole purpose of communicating the obtained information to the different interested parts, for instance, the opportunities for improvement presented by organizations with respect to the application of Law 1314 of 2009 and its regulatory decrees regarding the implementation of International Financial Interpretation Standards IFRS and other international standards, as the XBRL for the case of this investigation..

Simultaneously to the documentary analysis, a survey was designed with the purpose of identifying the degree of knowledge that organizations and their

employees have regarding the XBRL international standard. Accordingly, it is crucial for companies to determine the requirements they must meet to adopt the XBRL international standard, and to be able to comply with the control entities. Then again, to identify the benefits, that it would bring to entrepreneurs, the National Government, control entities and public accountants in the assurance of accounting and financial information.

3. Problem Solution.

3.1. Results.

Colombia, through Law 1314 of 2009 and its regulatory decrees, defined three groups to outline companies, as follows: the *group one* where the large companies are found, *group two*, the medium and small companies, and in the *group three* the micro entrepreneurs. The above, under the classification criteria of number of employees and amount of assets represented in legal minimum wages in force.

The Anuario Estadístico Tuluá 2014 (*Tuluá's Statistical Yearbook 2014*) aims to give exact figures of all economic sectors of the Municipality of Tuluá, highlighting clear and specific information for all interested users. Becoming a fundamental analysis tool in the political, economic, social and cultural spheres.

Based on the above it was determined that in the municipality of Tuluá-Valle del Cauca there are 5,698 companies, according to data given by Chamber of Commerce of Tuluá 2014, where 22 large companies generate 15.9% of jobs, 54 medium-sized companies generate 13.2% of jobs, 230 small businesses generate 17.2% of jobs and there are also 5,392 micro enterprises (94.6% of the total amount of companies distributed in different economic sectors) generating 53.6% of jobs.

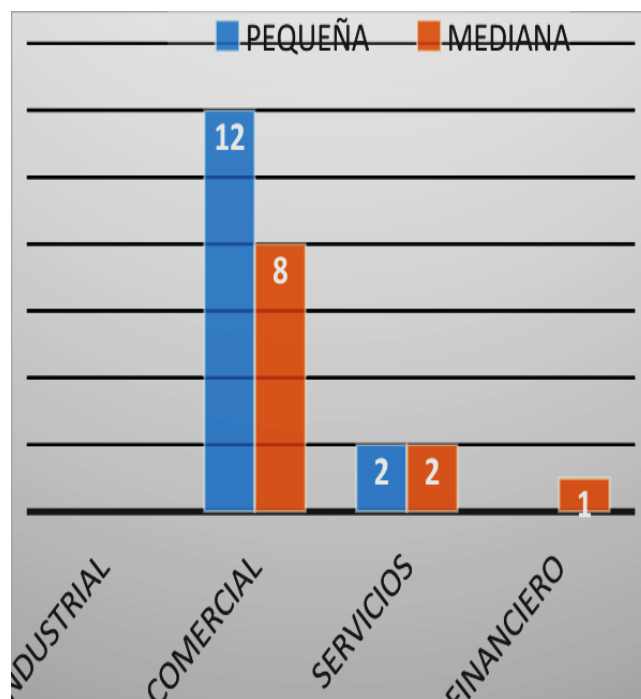
It is worth to mention that a sample was taken out of the total amount of the companies, distributed in small-sized (30) and medium-sized (11) businesses, for a total of 41 companies. These companies were enquired to obtain further information respecting the

knowledge and application of the XBRL international standard; obtaining the results that are presented below, beginning with small- and then followed by medium-sized companies in the industrial, commercial and service sectors.

The survey was designed to identify certain characteristics of the companies in terms of the sector in which they are classified, whether they know the XBRL standard and its application, the format they use, the software they have, the financial reports they produce, along with the attitude of the administrators or managers throughout its implementation.

Given the above, while the study was carried out, they were asked to declare the economic sector the company belongs to, in this regard they stated:

Figure 1.
Economic Sector



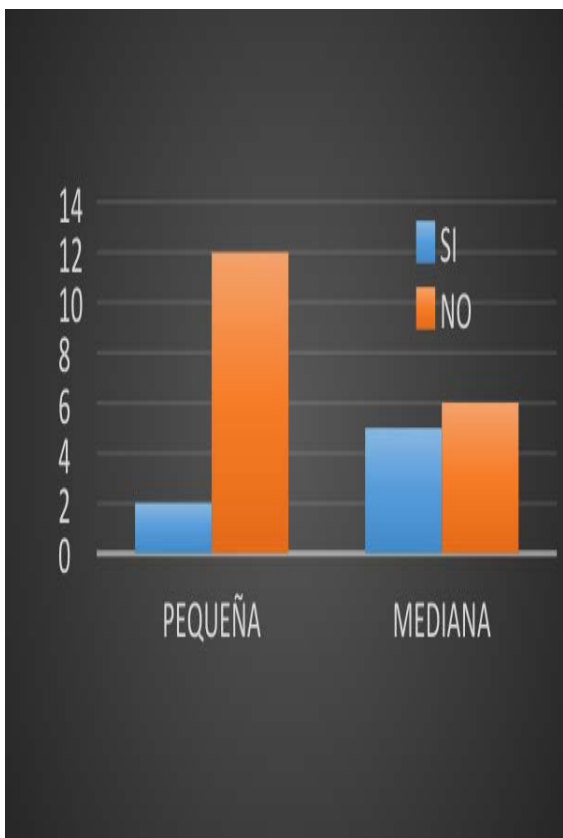
Source: Lopez, Ceballos Carlos Evelio 2016.

From the previous table it is inferred that 20 companies from the sample belong to the commercial sector, being this sector the most representative. Specifically, 40% (12 out of 30) of the small ones and 72% (8 out of 11) of the medium-sized ones, in the services sector the small

companies represent 6.6% (2 out of 30) and medium-sized 18% (2 out of 11); it is worth to mention that 60% of the small companies and 28% of the medium-sized are not clear on the sector they belong to, which were the ones that did not answer the question, distributed in 18 small-sized companies and 3 medium-sized out of the sample.

Now, to the question whether they knew the XBRL Standard or not, the entrepreneurs expressed the following:

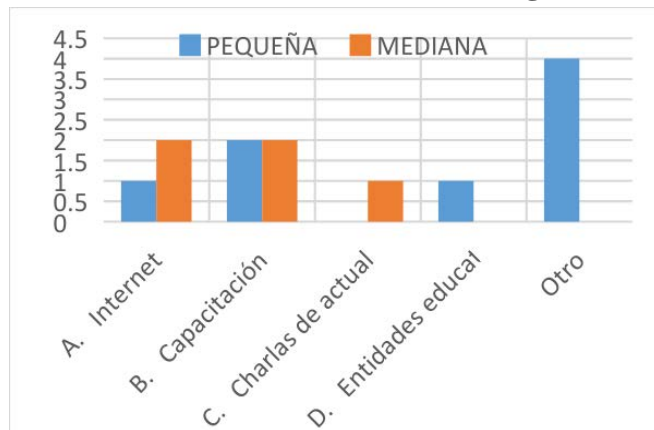
Figure 2.
Knowledge on the Xbri Standard.



Source: Lopez, Ceballos Carlos Evelio 2016.

It is deduced that 2 out of 30 small-sized companies (6.7%), reported having some knowledge, 12 (40%) do not know about the XBRL international standard and 16 (53.3 %) did not answer; while in the medium-sized companies 5 out of 10 (54%) reported knowing it after receiving some training on the matter, the above indicates a high percentage of ignorance of the XBLR in both small- and medium-sized companies.

Figure 3.
Sources of the obtained knowledge

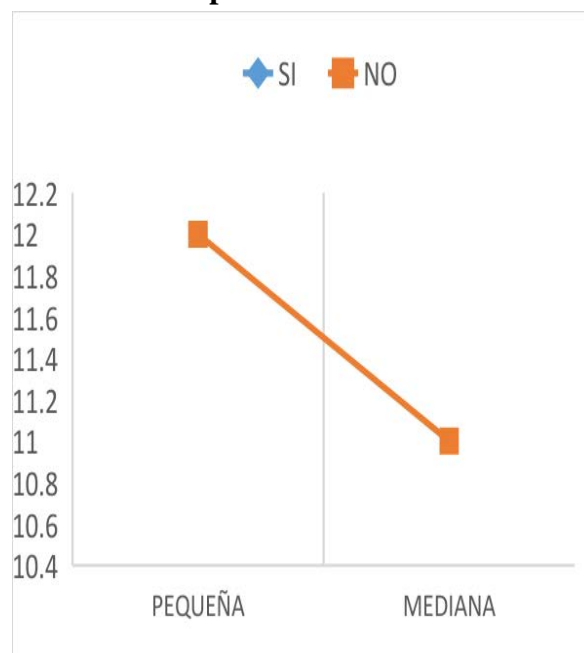


Source: Lopez, Ceballos Carlos Evelio 2016.

Figure 3 shows which their information channel on the XBRL international standard has been. The bar *other* shows that the entrepreneurs of the small-sized companies have obtained this information through comments from colleagues, while medium-sized companies did it through internet and training courses offered by the company.

When asking them if they generated information reports in XBRL with the aim of transmitting the outcome to the different users, in this regard they stated as follows:

Figure 4.
Reportes en XBRL

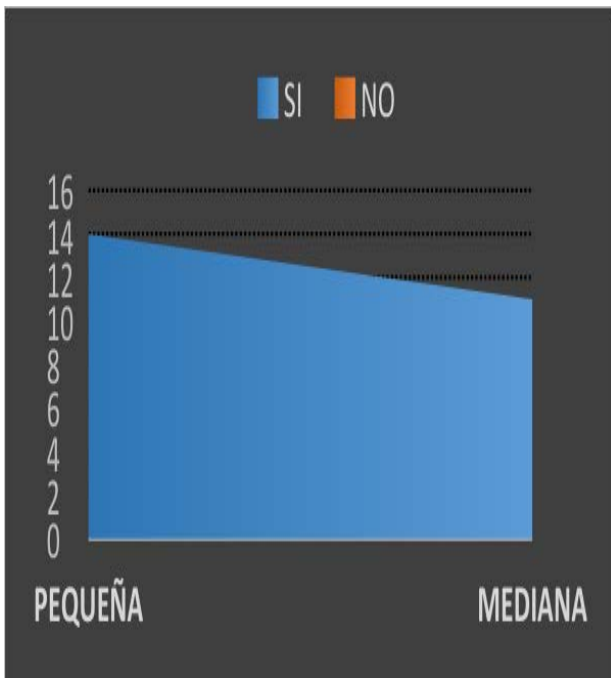


Source: Lopez, Ceballos Carlos Evelio 2016.

It was discovered that neither small nor medium enterprises generate reports in XBRL, even among the medium-sized companies which have already received training on the international standard, demonstrating they are not yet ready to elaborate them.

Regarding the software that SMEs have, based on the international financial information standards that they should have already implemented, they reported:

Figure 5.
Software NIIF.

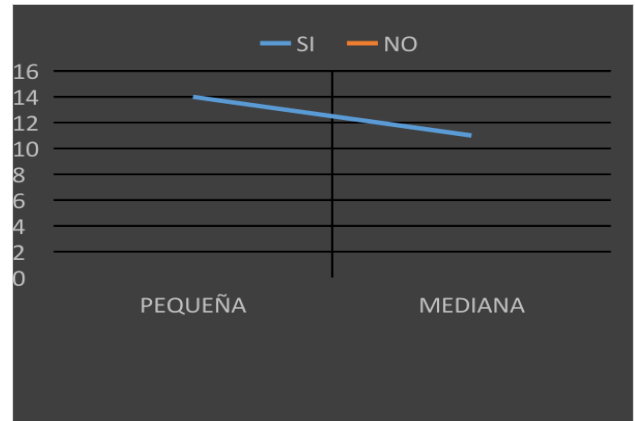


Source: Lopez, Ceballos Carlos Evelio 2016.

It can be inferred from the graph and the answers given by the businessmen, that they already count with a tool to register the accounting and financial information under international financial information standards. This fact is very important as basis for the implementation of the XBRL in the organizations.

To the question if they generate IFRS reports for the users of the information in the companies, to this point they responded:

Figure 6.
Reportes bajo NIIF.

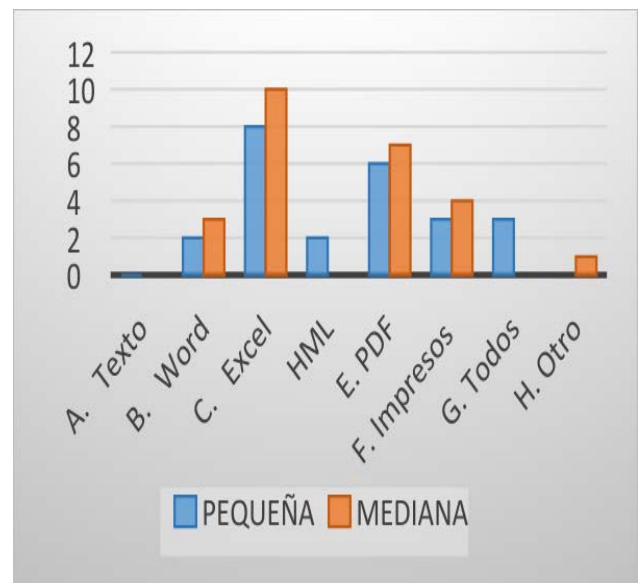


Source: Lopez, Ceballos Carlos Evelio 2016.

It is consistent with the previous graph, where the businessmen reported having accounting software under IFRS, and that is why it therefore generates reports under IFRS; all this means, they have already started the implementation of International Financial Reporting Standards.

Then again, they were asked about the reports they generate, and the application used to elaborate them, reporting as follows:

Figure 7.
Tipo de Reportes.



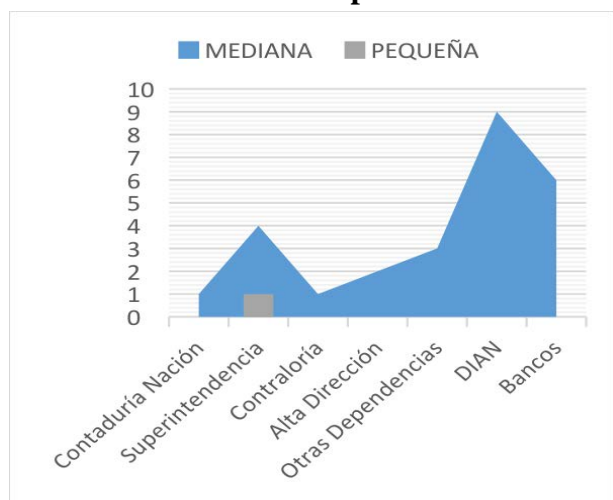
Source: Lopez, Ceballos Carlos Evelio 2016.

The companies reported that the most common reports are elaborated in Excel, PDF and Word formats, then printed; demonstrating that there is no homogeneity in the reports preparation. which may cause a waste of time.

With the international standard XBRL organizations would avoid preparing reports in Excel, Word or PDF formats, among others. Since it is the XBRL under XML the actual platform for the financial language to flow to all those people who require information from the business owners, and not the ones invented by the companies

They were also asked about the control entity they report information to, with the purpose of determining any kind of requirement on the part of the latter, responding:

Figure 8.
Entidad a Reportar.

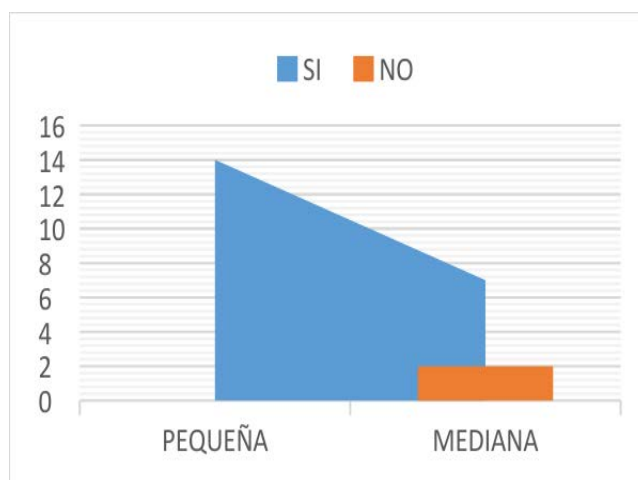


Source: Lopez, Ceballos Carlos Evelio 2016.

It is observed that the medium-sized companies are the companies that generate the most information reports to the different control entities such as the DIAN (Directorate of Taxes and National Customs) and there's only a small company that does it for the superintendence that controls it.

It was also investigated about their managerial attitude in front of the implementation of international norms in their organizations, reporting:

Figure 9.
Actitud Gerencial.



Source: Lopez, Ceballos Carlos Evelio 2016.

The graph shows the attitude of the people who lead the companies, and which are in fact, willing to implement the XBRL standard in their organizations, being this a very important factor for the adoption and implementation of the information reporting standard.

4. Conclusions.

1. While it is true that entrepreneurs from small- and medium-sized enterprises said they do not know the XBRL international standard, they are willing to adopt and implement it to leverage their institutions and improve their national and international competitiveness and profitability.

2. There is a large number of small entrepreneurs who are not aware of the XBRL international standard, in fact only 14 out of 30 businessmen responded having knowledge about it.

3. The national, departmental and territorial government in representation of the State, must generate more training courses for entrepreneurs to know the international standard and implement it in their companies, to be coherent with the national and international guidelines in international standards and to be more competitive and profitable.

4. 60% of the companies reported having accounting software under the IFRS, becoming an important element for the implementation of the XBRL in their companies, given the IFRS are the basis for structuring the taxonomies of the companies.

5. It was determined that there are two taxonomies of the XBRL international standard, and they are for large companies and for SMEs (Small and Medium-sized Enterprises), demonstrating that the IFRS are the basis for implementing the XBRL in each classification of companies.

6. Excel format report is the most common type of information report used by companies.

7. The control and surveillance entity to whom businessmen report the higher quantity of information is the DIAN (Directorate of Taxes and National Customs.)

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