

The effect of XBRL financial reporting on enhancing the transparency of information in the financial statements

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Article History: Received: 11 January 2021; Revised: 12 February 2021; Accepted: 27 March 2021; Published online: 10 May 2021

Abstract: Stakeholders often face many problems related to financial information in corporate financial reports in terms of transparency and the ability to interpret the numbers contained in them. Likewise, the potential risks related to the terms mentioned therein. However, the (XBRL) provides an interactive environment for the beneficiaries of the financial reports. The research discusses the contribution, of the language of extended business reports, in providing information and data that helps stakeholders in making decisions. in a way that enhances transparency in companies' business and comparability between them. XBRL relies on providing an integrated services model for management, full supervision of operations, and improving the quality of financial reports on financial activities. It is also assumed that the use of XBRL will provide stakeholders and recipients of the financial statements with financial information about the companies that are credible. XBRL can help create a type of data comparison more quickly and at a lower cost. In addition, XBRL facilitates reporting for internal users as well as external users. As a result, XBRL is able to meet the expectations of beneficiaries, regardless of the type of data they wish to obtain.

Key word: XBRL, transparency, investment decisions.

1. Introduction

The technological development and the world of modern digitization, have spread in all areas of life, the most important of which is the economic field and accounting is the main part of it. and among this development came the language of extensible Business Reporting Language and its abbreviation (XBRL), which aims to display financial statements, For companies in an electronic digital format that is used, by recipient parties without resorting to paperwork and traditional auditing, but rather to provide a digital revolution in the speed of data acquisition and comparability. as well enhancing transparency in the process, of displaying financial data for companies, within the business environment (Ahmi & Nasir, 2019). It is possible to share and analyze the information contained in the financial statements using XBRL quickly and at a lower cost based. on what the provides from an interactive environment that benefits the stakeholders, who benefit from the data and information mentioned in the financial reports.

The widespread use of technology and rapid change in the delivery of information, most notably the Internet, contributed to the emergence of the language of extended business reports XBRL as a tool to provide financial information gradually on the Internet and to enhance the efficiency of financial information and its timely transfer between the process of preparing financial statements and their users, since the process of communicating information quickly Accuracy is a costly job and may be tainted by some problems related to transportation or traditional operations with classification and other problems that lead to a reduction in the quality of the information contained in the financial statements, which will make it difficult for users to analyze the data from the financial report and may give an error during the process. However, XBRL can overcome this problem by coding and decoding the information system, as well as providing consistent and more accurate information (Uyob et al., 2019), and more recently international institutions have tended to the interactive environment provided by the XBRL language to enhance information transparency and rationalize investment decision-making.

2. Literature Review

Overview of financial statements and the emergence of XBRL

The financial statements are the financial result prepared by the accountants and provided by the administration to the public or so-called stakeholders, given the information and data they contain about the activity achieved for the previous period, which will be used to know the current financial position of the economic entity or to estimate or predict the future financial position for decision-making and decision-making (Uyob et al., 2019). In recent times, financial reporting on financial information has become interactive with the tendency of many economic entities to publish financial statements on the Internet for easy and quick delivery of information to beneficiaries,

as well as for the low costs of returning them using digital interactive programs, and the request of organizers and users alike has shifted to the language of business reports that can be expanded. (XBRL) and the need for it to digitalize the value chain of financial information has increased, thereby achieving tremendous benefits to all relevant parties, which has led many economic entities around the world to prepare financial statements in the language of XBRL (Ghani, & Muhammad, 2014).

XBRL appears

XBRL is designed to digitally represent financial data and allow users around the world to access accurate, timely, and relevant financial information for decision-making regardless of where and when the recipient is, as the XBRL International Steering Committee is operating and sponsored (The American Institute of Certified Public Accountants) is developing the XBRL and covers requirements for generally accepted accounting principles, including the International Financial Reporting Standards for the International Accounting Standards Board (IFRS).

ICAEW described the reports in XBRL as a way to provide basic information in a more effective form for analysis and interoperability with other systems, by standardizing the framework in which information is stored, processed and presented for reporting purposes, and to provide more detailed analyzes for decision makers, compared to the traditional presentation. In PDF or HTML format, due to its lack of electronic usability, as it is easy for users to change or extract information without having to re-enter the data (Dunne et al., 2009).

XBRL's impact on different types of financial statement users

XBRL is the open international standard for digital business reporting, to improve reporting in the public interest and the International XBRL Consortium supports more than 600 member organizations, from the private and public sectors. The standard has been developed and revised over more than a decade and supports almost all types of financial statements and reports that can be used in decision-making and decision-making, while providing a wide range of features that enhance the quality and consistency of reports, as well as their ease of use in various ways and purposes (www.fasb.org), and includes the following XBRL user list (www.xbrl.org):

- Financial analysts who need a great deal of information to assess the risks about the companies they regulate.
- Financial market regulators who need to analyze the performance and compliance of listed companies and ensure that this information is available to everyone.
- Company registrars who need data about private and public companies, including annual financial statements and their availability to the public.
- Tax authorities who need financial statements and corporate compliance information with applicable laws and instructions in order to process and review corporate tax matters.
- Statistical and monetary policy for evaluating the financial performance of companies and its effects on the local and national product.
- Companies that need to provide quick and accurate information to third parties.
- Suppliers or lenders who need to exchange information to help manage risk and measure activity.
- Government agencies that need to collect information and report on businesses' commercial activities.
- Other stakeholders who have an interest in knowing the financial activity of companies to make and make decisions.

XBRL international reliability

The language of extended business reports is a technique for preparing business reports and internal and external financial lists and sharing information, and given the multiple advantages of XBRL and that adds value to many internal and external users, whether they are from management or investors or brokers and researchers, then XBRL supporters promote advantages such as speed and accuracy in doing business Improving the efficiency of data transmission and delivery by automating the preparation of reports, in addition to reducing human errors resulting from repeated entries and increasing the importance of XBRL outputs is the ability to review and audit data quickly and organize more as a result of shifting the methods of audit and control to electronic review, which can add long-term value to the company By redesigning the financial statement preparation and reporting process (Ahrendt, 2009). All of the above contributed to broadening the base for using the expanded business reporting language. 2009), as the XBRL structure provides unique identification and reliable extraction of accounting numbers from financial reports under a coding that allows change and transformation in the presentation of data using various formats, moreover, the ability to simplify internal accounting practices, resulting in cost savings and improved efficiency and effectiveness In addition to strengthening internal control (Birt, 2017).

Quality financial reports in XBRL

Information technology systems are considered one of the most influencing factors on commercial and economic activities, in order to quickly obtain data related to decision-making, as the language of extended business reports XBRL came in order to reduce difficulties and facilitate the delivery and exchange of financial information, in addition to that XBRL provides a low-cost method for financial reporting. Which helps to increase transparency and compliance with the regulatory environment in which companies operate, as it aims to provide financial data clear, accurate and comprehensive information about the company's business, and the high quality of financial reports can reduce the problem of inconsistency in the information that indirectly affects the efficiency of the market Capital (Fradeani et al., 2016). As a result, XBRL is a tool used to improve the quality of characteristics associated with financial reporting, which include relevance, reliability, comparability, consistency, material value, cost, and understandability. In line with the quality of financial information developed by the International Accounting Standards Board (Ilias, 2017).

Many of the previous studies touched on the effect of the XBRL on the financial statements:

(Baldwin & Trinkle 2011) "The Impact of XBRL": The research reviews the future prospects for the impact of the language of extended business reports XBRL in the second decade of the new millennium. The future effects of XBRL that are most likely to affect companies, financial statements, users of financial statements and audits have been studied. Likewise, the most likely impacts of XBRL may include: increasing access to financial statements, easier regulatory compliance, enhancing the availability of financial statements, facilitating ongoing reporting, and improving investment efficiency and decision-making.

(Salah & Amoura, 2016) "The language of electronic disclosure XBRL and its role in improving the efficiency of financial markets" touches on the importance of the role of financial disclosure in the language of XBRL in the presentation of financial statements and the efficiency of the information contained therein, and provides a theoretical framework for the adoption of XBRL language in presenting company lists and committing them to what they provide From the efficiency and speed in completing the preparation of financial statements as well as increasing the efficiency of decision-making in the financial markets by stakeholders, and addressing the Emirati experience as the first country to apply the XBRL language in financial disclosure about the activities of companies listed on the stock exchange and its role in enhancing transparency.

(Jarad & Gatea, 2016) "The possibility of electronic presentation of financial statements for Iraqi economic entity's using the language of extended business reports XBRL" The research reviewed the importance of presenting financial statements in XBRL language in reporting their activities and their impact on their market value and the speed that can be provided in providing financial statements and the cost of preparing them, As a result, reliable information is communicated in a timely manner for decision-making by stakeholders. The research also touched on the advantages and obstacles of using the XBRL language in financial reporting on the activities of Iraqi companies, what are the benefits of that and its impact on the market value of these economic entity's.

(Heidari & Rostami, 2017) "The Impact of Extensive Business Reporting Language (XBRL) on Improving the Quality of Financial Statements in Iran": The research addresses the types of information needed to assess the financial position and economic sustainability of companies, performance and profitability, quality of financing and cash flows, and evaluation The quality of the administration's implementation and the legal duties placed on it. It also provides supplementary information to better understand the financial statements presented and forecast future status. However, the impact of XBRL on enhancing the quality of the financial statements of companies listed on the Tehran Stock Exchange was discussed. The results indicated a direct and important relationship between familiarity with XBRL on the one hand, improving the quality of financial statements, clarifying financial transparency, and financing companies.

(Uyob et al., 2019) "The Impact of Extended Business Reporting Language (XBRL)": The research indicates that XBRL is an electronic tool with an accepted global standard for electronic financial data for communication, compilation, analysis, and engagement between stakeholders. It also shows the benefits and effects of adopting XBRL either as a voluntary or compulsory dependence on digital companies' finances, improving information efficiency, reliability, and market efficiency at the same time as a result of information consistency. The research also mentioned that most of the research conducted is experimental rather than conceptual, although there is a very large number. From empirical research, however, future research on XBRL can look at a different type of research or approach.

3. Methodology

The research methodology clarifies the researcher's method of how to present the problem and the importance of the research and what are the inferences on which his hypothesis was based on the reality of the self-diagnosis, descriptive or inferential resulting from the repetition of cases that have been studied or observed in the work environment or investigation by the researcher and on it. The financial statements issued by companies are the main source of information on the financial and non-financial activities of the company and as a result, the quality of the financial statements is the primary element to which the stakeholders go and in light of the technological development and accounting information systems XBRL came to be the link between control and transparency in financial information Disclosed within these lists, and it can be said that this importance results from the following:

- The language of the expanded business reports strengthens control over the company's operational operations.
- The use of business reporting language in financial reporting enhances transparency.
- Business reporting language provides the information for making investment decisions.
- Information within the business reporting language environment contributes to rationalizing investment decisions.

The problem of obtaining financing at the appropriate time is one of the most complex problems, because of its association with multiple factors that sometimes exceed economic results and factors, the research focuses on the relationship between financial reporting in the language of expanded business reports and the strengthening of oversight and transparency in the disclosure of activities and the extent and its impact in rationalizing Investment decisions as one of the factors affecting the investment decisions made by the foreign investor. However, the research will discuss the following problems:

- Does the language of business reports contribute to enhancing transparency in disclosing business results?
- Does the language of business reports contribute to enhancing investor confidence in the financial statements?
- Does the language of business reports affect the rationalization of investment decisions?

The research aims, What does XBRL mean, ability to enhance transparency and comparison of the information contained in the financial statements & concept of quality financial reporting using the expanded business reporting language.

The research hypothesis is based on a link between the use of XBRL and the possibility of improving investment decision-making and rationalization by increasing understanding of the data and information contained in those lists on the basis of: "The presentation of financial statements in the language of extended business reports XBRL contributes to the rationalization of investment decisions." The following hypotheses are divided from it:

H1: Using XBRL increases the quality of financial data.

As the results obtained statistically refer to the arithmetic mean of this axis with a degree of 2.7596.

H2: Presentation of statement in XBRL improves the transparency of information in financial statements.

As the results obtained statistically refer to the arithmetic mean of this axis with a degree of 2.7231.

4. Data collection

This study identified the list of potential respondents, which within 116 included the auditors, Academe, accountants and decision maker, as well as potential respondents who obtained a background in XBRL. Data collection started and data were collected over a period of two months. This sample is chosen due to the extensive experience and knowledge in preparing and reviewing the financial statements, and therefore it is likely that you are one of the most frequent dealers that can help XBRL improve the decision making.

Table (1) Reliability Statistics	
Cronbach's Alpha	N of Items
.891	20

Table (2) Statistics				
	Highest Level of Education	nature of work	experience	The respondent has sufficient

					information about the language of the XBRL extended business reports
N	Valid	116	116	116	116
	Missing	0	0	0	0

Table (3) Highest Level of Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	other	20	17.2	17.2	17.2
	master	60	51.7	51.7	69.0
	doctor	36	31.0	31.0	100.0
	Total	116	100.0	100.0	

Table (4) Descriptive Statistics				
NO	Statement	N	Mean	Std. Deviation
1	XBRL improves the efficiency of the financial statement preparation process	104	2.8654	.39555
2	Presenting financial statements in XBRL enhances comparability	104	2.9038	.35579
3	XBRL makes it easy to transfer financial statements between different forms of financial statement preparation criteria.	104	2.6346	.55839
4	XBRL leads to consistency of financial information between companies	104	2.8077	.44234
5	The presentation of financial statements in the XBRL language facilitates the analysis of financial information	104	2.8654	.39555
6	XBRL facilitates regulatory compliance with laws and regulations	104	2.6731	.51090
7	XBRL helps with continuous reporting and monitoring.	104	2.8654	.39555
8	XBRL reduces the cost of preparing financial statements	104	2.6346	.55839
9	XBRL increases the reliability of financial information.	104	2.6923	.54107
10	XBRL reduces the occurrence of errors in the financial statements.	104	2.6538	.51707
11	Using XBRL to display lists increases the efficiency of the information in it.	104	2.8846	.32103
12	XBRL makes financial information more transparent.	104	2.8846	.32103
13	XBRL allows for the compatibility of different data more efficiently.	104	2.7885	.41038
14	The XBRL language enhances the availability and availability of financial statements.	104	2.7692	.50686

15	Presenting financial statements in XBRL is more transparent than viewing it in PDF format.	104	2.7500	.43511
16	XBRL improves the accuracy of financial information.	104	2.7308	.52567
17	XBRL makes it difficult for management to release misleading financial statements.	104	2.5192	.63827
18	XBRL reduces the costs of auditing financial statements.	104	2.5769	.63387
19	Presentation of financial statements in XBRL improves internal controls	104	2.5769	.63387
20	XBRL reduces the costs of financial analysis performed by users of the financial statements.	104	2.7500	.47766
X	Quality of financial statements in XBRL	104	2.7596	.35759
Y	Enhance the transparency of financial information	104	2.7231	.29004
Note: The answers of 12 people without knowledge were excluded				

Table (5) nature of work					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	auditors	21	18.1	18.1	18.1
	Academe	83	71.6	71.6	89.7
	accountants	10	8.6	8.6	98.3
	decision maker	2	1.7	1.7	100.0
	Total	116	100.0	100.0	

Table (6) experience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10 year	54	46.6	46.6	46.6
	11-20 year	32	27.6	27.6	74.1
	more 21 year	30	25.9	25.9	100.0
	Total	116	100.0	100.0	

Table (7) The respondent has sufficient information about the language of the XBRL extended business reports					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very good	32	27.6	27.6	27.6
	medium	56	48.3	48.3	75.9
	weak	16	13.8	13.8	89.7
	I don't know	12	10.3	10.3	100.0
	Total	116	100.0	100.0	
Note: The answers of 12 people without knowledge were excluded					

Table (8) Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.477 ^a	.228	.220	.25614
a. Predictors: (Constant), Quality of financial statements in XBRL				

Table (9) Correlations			
		Quality of financial statements in XBRL	Enhance the transparency of financial information
Quality of financial statements in XBRL	Pearson Correlation	1	.477**
	Sig. (2-tailed)		.000
	N	104	104
Enhance the transparency of financial information	Pearson Correlation	.477**	1
	Sig. (2-tailed)	.000	
	N	104	104

** . Correlation is significant at the 0.01 level (2-tailed).

Table (10) ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.973	1	1.973	30.065	.000 ^a
	Residual	6.692	102	.066		
	Total	8.665	103			

a. Predictors: (Constant), Quality of financial statements in XBRL
 b. Dependent Variable: Enhance the transparency of financial information

Table (11) Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.655	.196		8.428	.000
	Quality of financial statements in XBRL	.387	.071	.477	5.483	.000

a. Dependent Variable: Enhance the transparency of financial information

Table (12) One-Sample Test						
	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Quality of financial statements in XBRL	78.702	103	.000	2.75962	2.6901	2.8292
Enhance the transparency of financial information	95.746	103	.000	2.72308	2.6667	2.7795

T_{tab}= 1.660

5. Results and Findings

This study used a questionnaire method to collect data, where he studied issues related to the benefits and characteristics provided by XBRL. The baseline data of respondents and the level of knowledge were collected with research variables. Quality of financial statements in XBRL language is independent variable. Transparency information dependent variable. A questionnaire was developed in this study. The purpose of the questionnaire is to obtain an answer to questions regarding the perceiver's perception of use to XBRL. The questionnaire is divided into three sections. Section A is knowledge of XBRL technology. Section B includes 10 questions about the XBRL technical contribution to the quality of the financial reports. Section B contains 10 questions aimed at measuring the contribution of XBRL to improving the transparency of the information contained in the financial statements.

6. Conclusion

The quality of financial reporting has always been the focus of IPSAS bodies. As a result, XBRL is a technical method for presenting financial statements in an interactive electronic form. It can affect the efficiency, transparency, reliability, and accuracy of the information on the companies' financial statements and reports. which will lead to high-quality data and more easy to deal, compare and influence decision-making.

One of the most important impediments to the development of the accounting profession is the technological challenge and the knowledge gap. The use of the extended business reporting language (XBRL) helps the economic entity to speed up the completion of business, reduces the cost of preparing financial statements, and enhances the transparency of information to make decisions. It can also provide continuous information and reports that reflect the nature of decisions that management can make.

7. Recommendations

The ability to process and display corporate financial reporting data using the expanded business reporting language enables financial comparison and analysis by XBRL as a consequence transparency in financial reporting.

XBRL can provide reliable data to government agencies.

Increase the organizational culture of financial statement preparers and users to recognize the advantages of presenting statements in the expanded business reporting language.

The XBRL language can also contribute to supporting the national economy by attracting foreign investments and providing data that are transparent and efficient in the financial market, as well as facilitating the issuance of internal management reports to communicate between production departments and the choice of alternatives.

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