

Reporting the Financial Lists of Company for the Internet Users and Studying the Effect Rate of This Method Use on the Users' Decisions.

Mansour Alilou¹, Amir Alipour², Magsoud Alilou³

¹Young researchers club, Salmas branch, Islamic Azad university, Salmas, Iran ²Department of Economic, Salmas Branch, Islamic Azad University, Salmas, Iran ³Department of Accounting, Salmas Branch, Islamic Azad University, Salmas, Iran

ABSTRACT

Financial reporting under the internet web sites or the developing reporting language (XBRL) has been created in order to provide the financial reporting users with precise and reliable information. And also an developing and assuring language (XARL) was made to make sure the users on financial reporting's. Actually the users of financial reporting's, instead of going to the concerned companies and examine the financial lists traditionally, can get them by internet and with personal attending to those companies. Web reporting cause the users to economize their time and costs and to have enough time to study financial lists and finally reasonable decisions have been made rather than rational ones. In this paper, we attempt to study reporting methods covered by web and also by using the experience of other pioneer countries in this field, we offer pros and cons of this method use. The exist barriers for developing web covered financial reporting have been studied, too.

KEYWORDS: XBRL, XARL, financial reporting's, users' decisions, financial information.

INTRODUCTION

In this word we are witnesses of quick development in all of the fields, especially in the internet context. Use of internet website has been so widespread among people that usual trading are done by internet. Of course, according and financial reporting aren't exceptions and we observe that most institutions provide their financial reporting in a web site framework. Financial reporting were first done by cutting and pasting and were mostly with mistakes, due to that reporting's language (XBRL) was created to put financial reporting's in a specific standard web framework. Actually it can be stated that this technology is a derivation of (XML) use for financial professions in which there are financial reporting whose accuracy has been doubted, so it caused an assuring and developable language (XARL) to be created and as a result with the accuracy of reporting's.

The history of financial reporting language (XML):(XML) language was created by the global wide consortium network in 1996 in order to develop web technology and to provide efficient exchanging of information in web. The symbol language (XML) derived from Extensible Markup language has improved the necessary ability and inflexibility for applicable software's under web and other software's used in commercial units and it makes effective and efficient exchanging easy and makes meaningful searches possible. The current function of (financial reporting) :

The current language of the global information transmitting (internet) is based on (HTML). This language derived form (Hypertext markup language) determines how to show data of a document. But (HTML) has some defects which the most important one is that it considers data transmitting as a complete document and so the user has to study the whole document in order to find a special case. Today's, these defects have been completely ramped by (XML) developing and the user can get easily his necessary cases among financial reporting's, and because (XML) provides the user with information content by data encoding and its structure, so the searches can create more related and accurate results.

Moreover, the user can observe data in various form by using the information related to their structure in XML. Finally, XML is an open and independent system that creates a comprehensive way to frame data and deliver them.

(XBRL) as a standard way to provide and exchange financial information:(XBRL) language is actually a derived financial profession from (XML) used for financial reporting. Charls Halfman, in April of 1998, thought of a new way of financial reporting by the use of XML language. He could introduce (XBRL) as a new language of financial reporting to the world in April of 2000 after he had made a lot of attempts. A new technology which was called "expandable financial reporting language" was created by attempts of an consortium (a commercial partnerships) directed by American official accountants institute, actually it is an innovative language that has developed commercial reporting based on web and XML. The widespread acceptance of XBRL means that both

^{*}Corresponding Author: Mansour Alilou, Young researchers club, Salmas branch, Islamic Azad university, Salmas, Iran, Email: m.alilou@yahoo.com

human and intelligent software factors can operate in spreading financial information through the web with a high rate of precise and confidence. In XBRL all of the financial data are labeled, so they are distinguished as asset, liability, stock, profit and etc. so users can derive or change data with labels as cash and analyze them by using analytical and applicable software. The (figure 1) shows the Applying of the XBRL method in the financial Reporting



Figure .1 the Applying of the XBRL method in the financial Reporting

Some reason that encouraged Charls Halfman to design a new language: The use of (XBRL) creates this possibility that risk of mistakes resulted by measurement, registration, categorization and summarization of financial data can be reduced.

- In accounting profession, XBRL makes this possibility for accountants that can access the more commercial data in a less time, so this increases accounting efficiency.
- (XBRL) causes the planners of accounting standard to coordinate the accounting standards with the international accounting standards, so this causes increases clearness, comparability and quality of financial reporting in the accounting world.
- When information will be delivered in their new form, it causes the cost of provision and delivering these information to be reduced to its least point. In a study carried out in 2002 American companies paid 404 billion dollars to their staffs who were asked to supply and provide key commercial information in a proper reporting frame.
- In the new reporting, the use of information technology applying results in the increased related quality and comparability of accounting information.

MATERIALS AND METHODS

(XARL) warrants the accuracy of reporting services: the security structure of internet services (WSSA) consists of standards which are agreed upon by companies as (IBM-Microsoft-VeriSign). According to these standards when information are exchanged in web. Security covers the exchanged in web. Security covers the exchanged in web. Security covers the exchanged in web.

(WSSA) standard increase quality of information exchange, assuring security, accuracy and reliability of information, and based upon the detailed security created by (WSSA) standard we can use this standard in financial reporting.

Assurance, accuracy and reliability are the least requirements to control security of (XARL) service. Security, policy and assurance provide tools to make confidence about being privacy, accuracy and to confirm the financial reporting, and at the same time it provides this opportunity to communicate with other services in web. Accuracy and reliability in documents reported by (XBRL) depends on trustworthy of used processes in document creating. Creation and expanding applied procedures in information and adopted security measurements are carried out in order to support the accuracy of information. (XARL) with a proper infrastructure can provide a way to make sure about accuracy of financial information in documents of (XBRL).(XARL) as (XBRL) identify elements to give assuring information and support their capacities in (XBRL) and this allows users to judge about the accuracy of each piece of received information. Actually in can be remarked that a document of XARL contains tags that are indicative of security type, security period, accountant's digital signature, system reliability and etc. The functional process of system (XBRL & XARL) is

represented in the following diagram. In this diagram (AA) company wants to put it financial lists for financial users in website and so it uses the company called (BB) in order to make sure of provided information. Figure (2) demonstrates this problem:



Figure.(2) The functional process of system (XBRL & XARL)



Figure 2. The functional process of system (XBRL & XARL)

XBRL involvement in the reporting process: According to regulatory international organism in electronic reporting field (XBRL International), the XBRL technology provides a common platform for the business reporting process, contributing to the credibility and facilitation of financial data communication between reporting enterprise internal and external users. XBRL can address both the internal reporting, for the financial-accounting data analysis at organizational level in terms of performance criteria and business activity validation, and the external reporting, aiming the publishing of information centralized in accordance to local accounting rules and regulations to different beneficiaries from outside the enterprise (Figure.3) The XBRL involvement in the enterprise reporting processes.



Figure.3The XBRL involvement in the enterprise reporting processes

RESULTS AND DISCUSSION

The effect of web reporting on the users: So far, financial reporting's in different formats and advantages and disadvantages of reporting languages have discussed separately. But there are some unknown points about the effect of this technology on the users that are noticed precisely here.

The necessity of using new model of financial reporting: the first and main factor that has made changes in the organizations functions is internet. Internet changes the profession deeply by fundamentally changing the company's functions. These changes are beyond the electronically trading, as the subsidiary product of electronically trading, as the subsidiary product of electronically trading is the fundamental change in processes and culture of organization. Although internet, is information technology that has the highest responsibility in changing a profession procedure the role of enterprise resource planning system mustn't be ignored. What systems (ERP) do is that they gather all information of the organization in a central resource in a way that access to key information becomes easy especially for the outside of organization members.

Getting to an upper step (ERP) needs to coordinate the inner (ERP) system with the sellers and costumers' system that creates resource planning system of various companies. The strong technology to complete these systems is internet. This question may be asked here that "How is information technology related to financial reporting and why do these modes need to be changed?

The precise and short answer is this that investors and authenticators are also members of profession and follow the periodic information resources in order to assess the efficiency of company. On the other hand, a remarkable development of information technology causes a lot of information to be accessible through public databases especially internet, so decision makers can use various information to make decisions on time. Whereas they have to use the information of accounted financial lists that are just accessible periodically and based on the past. So it is logical to assume that their expectation to access the key information existed in company inner information system will be increased. These expectations for some people are exactly different from disclosures that are delivered by organizations through the webs without money and diary. Simply declaration of financial documents and evaluated financial lists (periodically and based on the past), and make them available through internet doesn't stratify the investors' needs who eagerly search for the current information about financial status. So, these provided information, can be less important to make decision unless a new model will be created in order to provide financial information on time.

Security threats in internet: You have certainly heard of crucial information theft as credit card number or of outbreak a computer virus. Being aware of exist threats and necessary operations in order to protect against them, is one of the proper defensive methods. Internet, despite all of the positive aspects, contains wide collections of risks and security Threats that some of them are very serious and important and some others are less important. Figure .4 shows the security threats on the Internet

Function of computer viruses that can result in deleting exist information in a computer.

Pervading into your computer by an unauthorized person and changing your files.

Crucial information theft as credit card number and unauthorized shopping by it.

Figure.4 Security threats in internet

Following some hints can minimize the occurrence of these threats. So the users and companies which provide **financial reporting's must take into account them:** The users are suggested to install commercial antivirus (not free). Free versions must also be uploaded to be efficient when face with wise amount of internet threats. **Updating antivirus:** Among necessary requirements of antivirus accurate operations it can be referred to

updating databases and indices that are regularly made available. Without these items, protecting a computer will be highly decreased.

In the early of 2009, security company (AVG) remarking that computer threats users increased pointed that between 100 to 300 thousands websites are exposed to attacks.

Daily computer scanning: Despite the type of antivirus that you have installed in your computer, daily computer scanning improves the security level of your data. In this process you should scan all of your system hard disks. In this way you can identify and delete those threats that cannot be identified by ant viruses.

Conclusions and Suggestions

According to the above mentioned discussions related to financial reporting and descriptions of financial reporting languages (XARL-XBRL-XML-HTML) and their influence on the users, it can be understood that new methods and being coordinated with global technology can help the users to make more careful decisions and also the reporting under web helps to economize the time and cost of obtaining financial information and to compare them with the other companies reporting's. But the reporting under web despite most advantages that it provides has also disadvantages including unsafely in internet that information and financial reporting's in the websites of companies may be attacked by some groups called (Hacker). Actually the users of financial reporting's through web should conduct their evaluations with more caution and obtain their concerned reporting's by applying security programs.

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