



BDO OFFER HIGH QUALITY iXBRL SERVICES

Seahorse[®] tagging and Magnify document review complement BDO's accounting and taxonomy expertise

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Tony Spillett

Tax Partner and Head of iXBRL services, BDO

The HMRC iXBRL filing mandate in April 2011 prompted changes in the tax and accounting services offered by many UK accounting firms. This case study examines how CoreFiling's Seahorse[®] and Magnify[®] solutions are helping BDO United Kingdom to meet the challenge of accelerating demand for iXBRL accounts production, whilst maintaining their core value of high quality output.

BDO background

BDO UK is a member firm of the BDO international network, the world's fifth largest accountancy organisation, with more than 1,000 offices in over 100 countries. In the past year its tax team has won a number of prestigious awards - from Accountancy Age, International Accounting Bulletin and LexisNexis - for the strength of their client service and high quality tax advice.

BDO's quality-driven iXBRL services

BDO needed to support three different approaches to company tax filing, while continuing to ensure that the accounts filed were accurate and on time. They were:

- A 'do it yourself' (DIY) approach for those clients wishing to continue to prepare their own accounts in Word or Excel, underpinned by a reliable iXBRL conversion tool.
- A Managed Service to help those clients who prefer to entrust the tagging process to a more knowledgeable, iXBRL-aware organisation. Scalability, timeliness and ease of tagging are key to this approach.
- Generation of iXBRL documents using standard accounts preparation software, but needing to verify the output against the iXBRL standard and the Joint Filing Common Validation Checks (JFCVC) specified by HMRC and Companies House.

To continue to meet BDO's stringent quality standards, it was essential that all filings should be fully compliant, and the iXBRL output fully validated - whatever the production process involved.

Robust iXBRL solutions to support BDO's accounting and taxonomy expertise

The factors motivating the search for an appropriate iXBRL solution were: high quality output, compliance, scalability, XBRL expertise and value for money. CoreFiling was able to respond to these stringent requirements with its Seahorse® iXBRL tagging tool for accounts prepared in Microsoft Word and Excel and its Magnify® XBRL document review tool.

Quality iXBRL output: BDO maintain a reputation for excellence in their client engagements and both Seahorse and Magnify perfectly complement the firm's accounting expertise. Seahorse, with its unique learning engine, automatically tags the tables and free text in Microsoft Word and Excel documents, making suggestions based upon its accumulated knowledge of all tagging choices already made within the system. BDO accounting and taxonomy experts, with their understanding of the ambiguities that can arise between client accounts and the underlying taxonomies, then exercise their professional judgement to select the most appropriate tag.

Compliance: BDO need to ensure that the iXBRL output provided to all clients conforms fully to the iXBRL standard and is verified against the HMRC/Companies House JFCVC rules. Seahorse incorporates full validation of the iXBRL documents against the iXBRL and XBRL specifications, and carries out verification against the HMRC rules at the time of conversion to ensure there are no problems during the filing process. In addition, accounts produced outside Seahorse are checked using the Magnify document review tool which highlights any anomalies.

Scalability: Thousands of accounts are now processed by BDO using both the DIY solution and the Managed Service offering outlined above. As a cloud-based solution, Seahorse is able to cope with a vast number of concurrent users.

XBRL expertise: Underlining BDO's quality standards is reliance on solutions provided by a company that fully understands the underlying technology. In CoreFiling, BDO have a partner that

has a strong pedigree in the XBRL market. The company pioneered the invention and development of the iXBRL standard. HMRC use CoreFiling products to manage XBRL content and the Magnify document review tool is to be used by tax inspectors in support of the iXBRL mandate.

Value for money: The key factor was time taken to tag documents and to provide internal review afterwards, before final delivery to the client. Seahorse keeps time to a minimum by auto-tagging tables, by automatically generating tagging suggestions from the learning engine, and by exporting a review sheet with free-text commenting. This also allows BDO to minimise input from the client, by providing them with a schedule of the tags applied to each set of accounts, including details of any professional judgement applied to ambiguous or contentious items.

No failed filings

HMRC recently reported that there have been over 250,000 iXBRL filing failures since the mandate was introduced in April 2011, illustrating that for many companies the conversion process has not been easy. Fortunately, BDO reports a much happier experience, largely attributable to the firm's extensive accounting experience in tandem with CoreFiling's Seahorse and Magnify products.

As Tony Spillett, tax partner and head of iXBRL services at BDO, explains: "Using Seahorse, we have had no failed CT submissions". He goes on to explain how the combination of the two CoreFiling iXBRL tools firmly underpins their quality goals: "Magnify further supports a checklist-based review of tagged financial statements to guarantee HMRC Gateway compliance and is intrinsic to our dedicated quality assurance team's review processes".

The future

As HMRC's 'transitional' filing period comes to an end, there is a firm expectation that the accuracy of iXBRL tagging will come under closer scrutiny. BDO, as accounting and taxonomy experts who can demonstrate their deep subject knowledge, together with the robust tagging and review systems provided by CoreFiling, are exceptionally well placed to meet any new compliance demands.

About CoreFiling

CoreFiling worked closely with HMRC to develop the iXBRL standard, and has for several years worked with HMRC as an Aspire Ecosystem partner. In 2011 the company was recognised and awarded a prize by the ICAEW for its pioneering invention and development of the iXBRL standard. Its True North validation and processing engine is used to manage XBRL content at HMRC, and Magnify, CoreFiling's document review tool, is to be used by tax inspectors in support of the new iXBRL mandate.

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