

# Auditor's report on XBRL-based financial statements in the Netherlands

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## *Experience:*

- |                |                                   |
|----------------|-----------------------------------|
| 2011 - present | Thauris : Managing director       |
| 2010 - present | Logius: Consultant to SBR program |
| 2003 - 2011    | PwC : Senior Manager              |

## *Academic background:*

- Master of Laws in Financial Law
- Master of Science in Auditing
- Registered Auditor in the Netherlands

# Brief overview of financial reporting in the Netherlands



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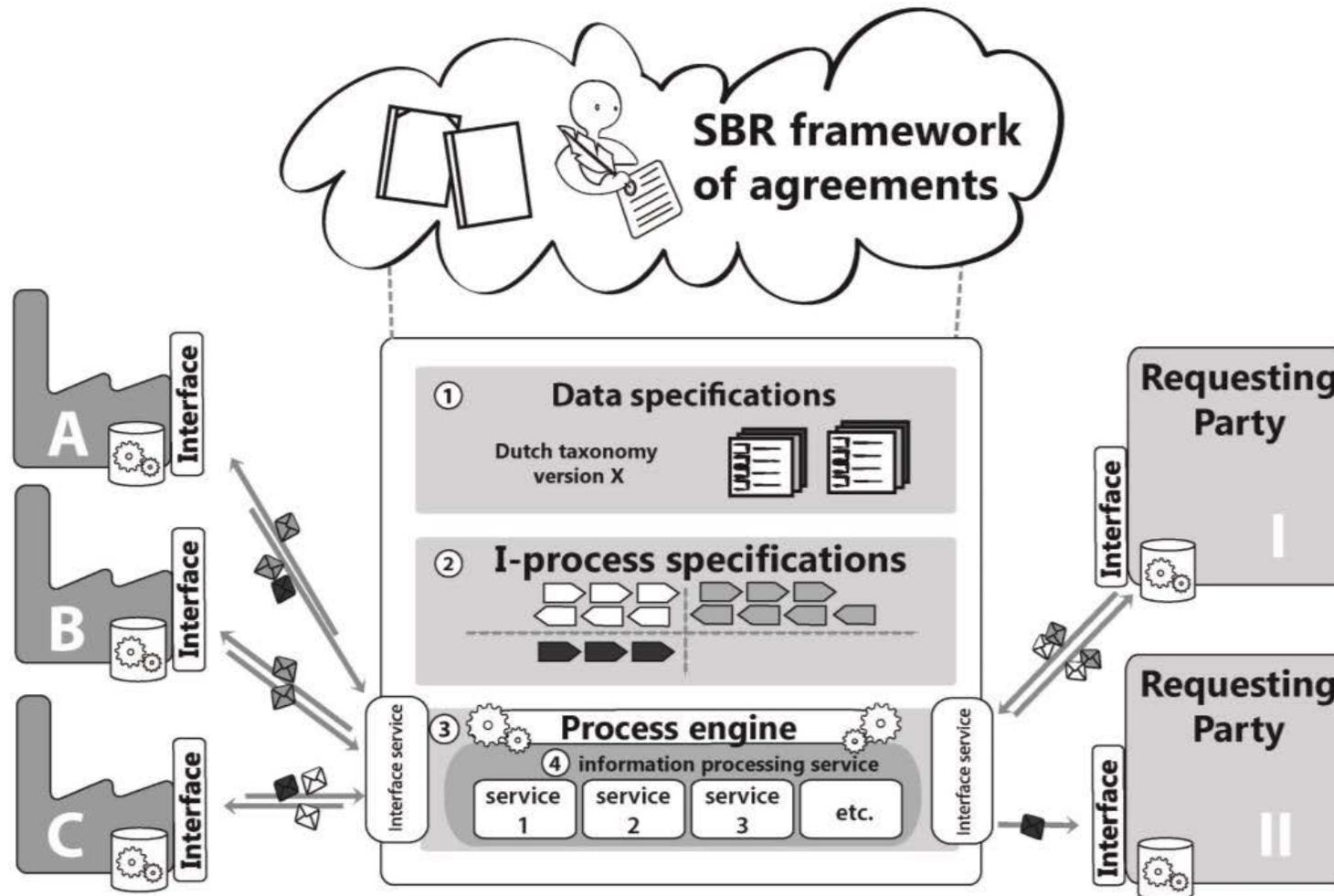
- 900.000 companies
- Statutory financial statements based on Dutch GAAP or IFRS
- Mandatory to submit the financial statements to the business register within 12 months after year-end
- Medium and large-sized companies are also required to submit an auditor's report of an independent auditor accompanying the financial statements
- Financial statements will have to be submitted using SBR...

# What is SBR?



- Standard Business Reporting is the standard for the digital exchange of business reports.
- SBR applies international open standards, including XBRL and web services in a way that enables a high degree of automation within the business reporting process; from data gathering and transfer to validation and (pre)processing.
- It makes the business reporting chain more efficient and effective and delivers substantial benefits to all participants in the reporting chain.
- SBR means standardization on multiple levels...

# Concept of SBR in the Netherlands



- SBR will be the only available channel to submit financial statements to the business register in the Netherlands over:
  - FY2016 – Small-sized companies
  - FY2017 – Medium-sized companies
  - FY2019 – Large-sized companies (including listed companies)
- XBRL instance document = financial statements. XBRL replaces the paper-based filings!
- Essential to be able to provide an auditor's report on the financial statements in XBRL format

# Auditor's report on XBRL-based financial statements



- Discussions on assurance over XBRL-based financial statements started way back in 2003...



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van Registeraccountants**

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Board of Directors IFAC  
To Mr. Jim Sylph, IAASB Technical Director  
545 Fifth Avenue  
14th Floor  
New York, NY 10017  
United States of America

Our ref : ICT-KC; J. Pasmooij, Manager ICT Knowledge Center  
Direct dial nr: +3120-3010315 / Faxnumber: +3120-3010302  
Date : October 31, 2003  
Re : Proposal to start a project concerning Business Reporting Online

... however, no real outcome or methodology

Dear Jim,  
As you are aware some years ago XBRL International was founded, Royal Nivra being one of the founding fathers. In our opinion recent developments have proved that the decision to found XBRL Int was a good one; but also that the accountancy profession has to be involved on a more international level.

On behalf of Royal NIVRA, I hereby make a proposition to the IFAC Board to take leadership and start a project in order to investigate how to deal with the audit and assurance issues related to the electronic exchange of financial and business information and providing business reports online.

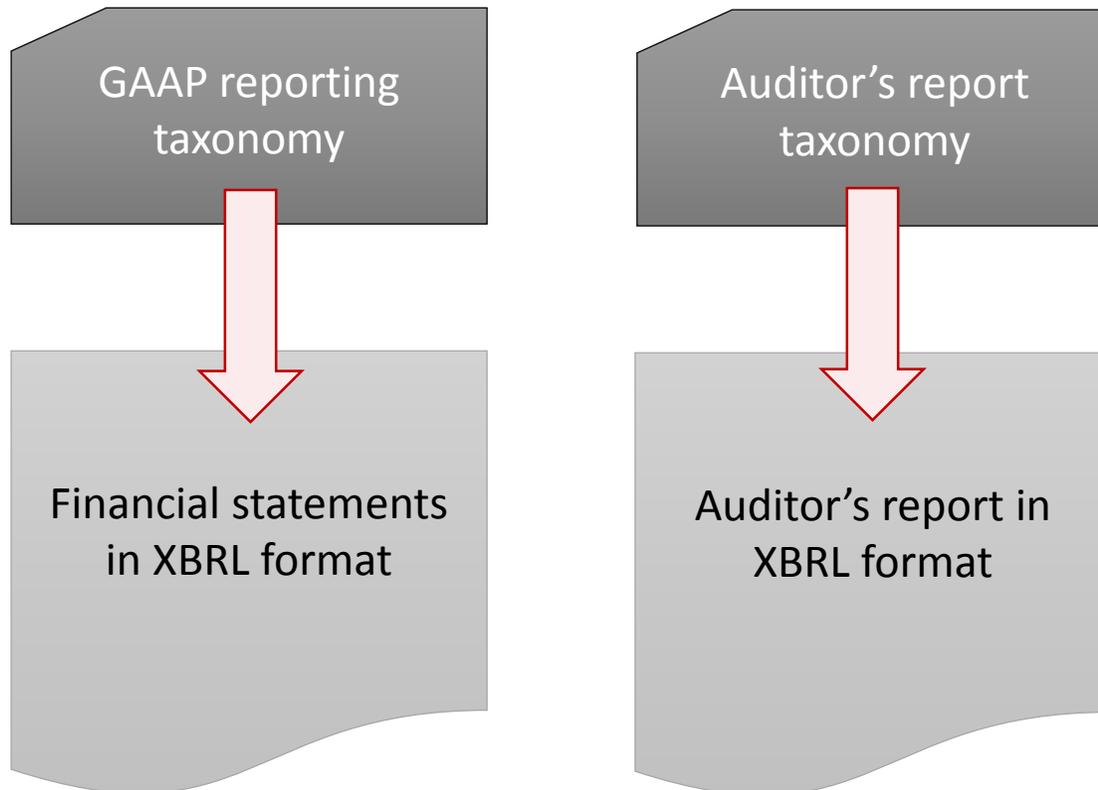
- Started a project in 2013 to design a methodology
- Design principles:
  - Integrated solution for creating, signing and publishing auditor reports and financial statements
  - Initially intended for report-level assurance, but able to evolve towards supporting data-level assurance
  - Flexible structure to support future modifications in the structure of auditor's reports
  - Enables hybrid forms of assurance over one report
  - Applicable for all types of reports, as well as for use outside the Netherlands and SBR

# Three pillars of the methodology



1. Taxonomies
2. Signing & linking
3. Presentation (true and fair view)

# 1. Taxonomies



## Characteristics:

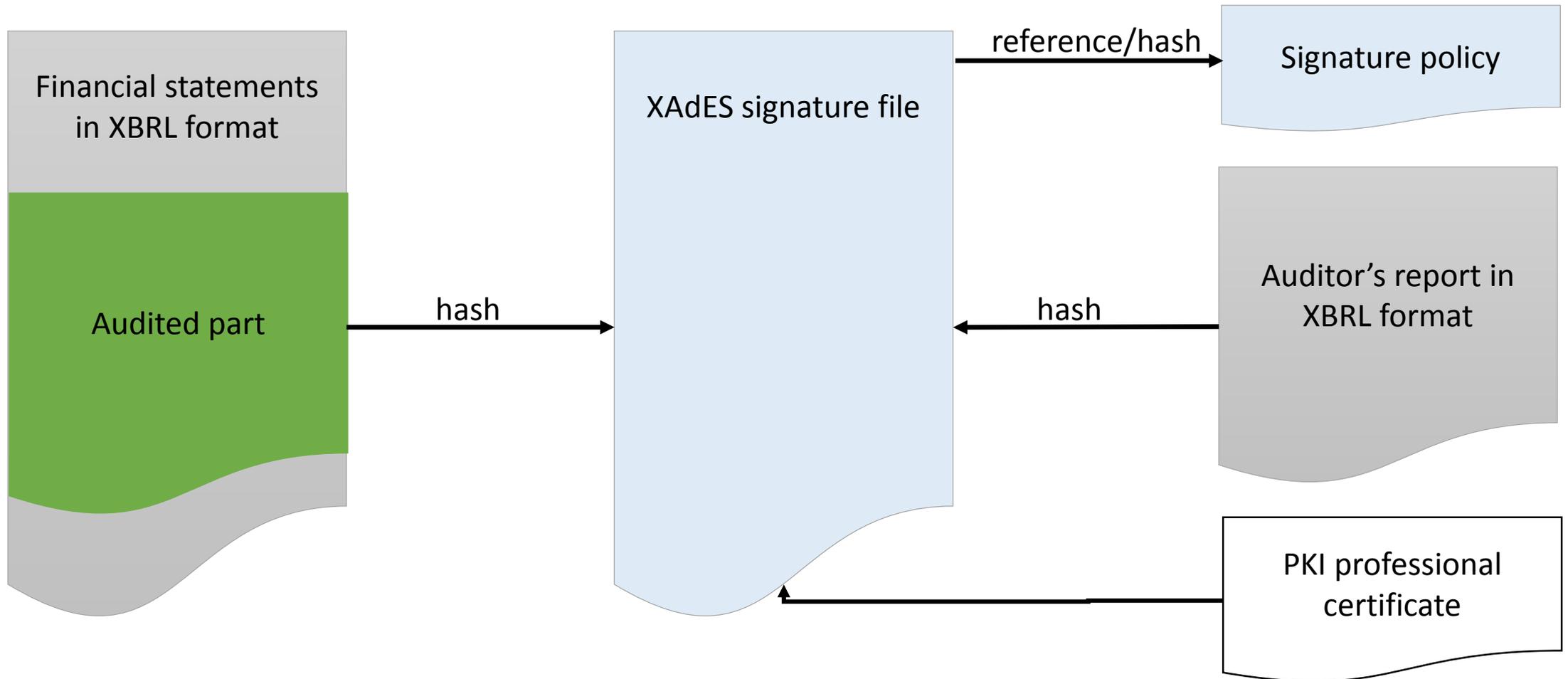
- Auditor's report also in XBRL format
- Separation between financial statements and auditor's report due to ownership of the documents
- Two different taxonomies as the basis for these instance documents

## 2. Linking & signing

Requirements (based on SBR framework):

- Use of electronic signatures to sign the auditor's report
- Use of a professional PKI certificate (issued only to certified auditors) to sign the auditor's report
- Ensure an irrefutable link between the financial statements and the auditor's report
- Use of XAdES (XML Advanced Electronic Signatures) as specification for the electronic signatures

## 2. Linking & signing



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Validations performed when submitting documents:

- Completeness check (2x XBRL; 1x XML)
- XBRL validity check
- XML validity check
- Signature validation (integrity of signature)
- Certificate validation (authenticity of auditor)

# 3. Presentation

- Present the financial statements in a consistent (human readable) manner in accordance with laws and regulations as well as commonly used reporting models supporting a true and fair view opinion
- Present the auditor's report in an ISA consistent and human readable manner
- Use the taxonomy to provide all the relevant presentation requirements

- Pilot successful in 2014
- Implementation on-going
- Submitting financial statements accompanied by the auditor's report is already (technically) possible
- Auditor's guidance is currently in development

# Horseless carriage



# End



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- Thank you for your attention
- Questions?