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Comparative analysis of the perceived qualitative characteristics of accounting information under IFRS. Evidence from Algeria

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Abstract

Research Questions: What are the perceptions of Algerian accounting professionals regarding the qualitative characteristics of accounting information after International Financial Reporting Standards (IFRS) adoption in financial accounting system (FAS)? Do different accounting professional groups (preparers and external auditors of financial statements) have different perspectives regarding the qualitative characteristics of accounting information after IFRS adoption in FAS?

Motivation: The authors consider that there is a need for a comparative analysis between preparers and external auditors of financial statements to gain insights into their distinct perspectives regarding the qualitative characteristics of accounting information after IFRS adoption within the Algerian context.

Idea: This paper explores the accounting and auditing professionals' perceptions regarding the qualitative characteristics of accounting information after the adoption of the IFRS in the new FAS in the Algerian context. It also investigates whether this perception differs between preparers and external auditors of financial statements.

Data: Data were collected from 59 preparers (accounting services firms) and 56 external auditors (external audit firms) between October and November 2023.

Tools: A questionnaire was developed drawing on the conceptual frameworks of the FAS (2007) and IASB (2018). SPSS software was used to analyze the data and to test hypotheses.

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Findings: The study found that the two groups of professionals have a positive perception regarding the qualitative characteristics of accounting information after IFRS adoption.

Contribution: The study provides new insights for Algerian legislators, regulators, practitioners, and academics about the effectiveness of IFRS adoption in supporting the quality of financial reporting.

Keywords: International Financial Reporting Standards (IFRS), financial accounting system (FAS), qualitative characteristics, accounting information, preparers, external auditors.

JEL codes: M40, M41

1. Introduction

The accounting information extracted from financial reports has great value for both external and internal stakeholders involved in decision-making processes. Hence, gaining a deeper comprehension of this matter is essential to effectively address the challenges associated with inadequate financial information quality and to provide appropriate solutions (Gjoni-Karameta *et al.*, 2021). Because of the globalization of international financial markets, international trade, and cash flows, authorities have tremendous incentives to standardize accounting rules globally (Fuad *et al.*, 2019). Prior to the introduction of International Financial Reporting Standards (IFRS), diverse accounting standard sets were utilized globally, influenced by various national economic and social factors. The variations stemmed from significant disparities in legal systems, income tax systems, historical, political, and economic factors, as well as the size and complexity of businesses, financial market development, sources of investment and financing, educational levels within communities, prevailing culture and language, and overall economic progress (Ebaid, 2021). The International Accounting Standards Board (IASB) suggests that the adoption of standards will bring more transparency and improve comparability internationally, which makes accounting information more accurate and suitable for economic decisions (Baghriché & Belaajouz, 2021).

Hence, with over 100 nations adopting or expressing a desire to adapt or converge to IFRS (Fuad *et al.*, 2019), the adoption by countries is now an advantage rather than an option (Faiyyaz & Malik, 2022). The influence of IFRS on the qualitative characteristics of accounting information is a topic of great discussion, as the adoption of IFRS is seen as a substantial change in the financial reporting environment, existing varying views among auditors and other stakeholders on how IFRS will affect accounting information quality (Aldoseria *et al.*, 2021). Evidence indicates that the implementation of IFRS has increased the quality of accounting information, resulting in decreased asymmetry of accounting information (Elhaj &

Soliman, 2022; Faiyyaz & Malik, 2022; Baghriche & Belaajouz, 2021; Shuraki *et al.*, 2021; Amankwa *et al.*, 2020; Hamdaoui, 2020; Bahadıra *et al.*, 2016). Consequently, there is a growing importance placed on adopting harmonized, high-quality accounting standards to enhance the qualitative characteristics of accounting information (Salah & Abdel-Salam, 2019).

The Algerian government, pushed by the continued changes in the accounting environment, has adopted a new accounting system called "Financial Accounting System (FAS)," derived essentially from IFRS. This system, which was officially applied in 2010, aims to contribute to improving accounting information quality by enhancing its different qualitative characteristics, such as comparability, relevance, and reliability (Ben Abbes & Messif, 2022). By adopting a comparative approach, the aim of this paper is to explore the perceived impact of implementing IFRS on the qualitative characteristics of accounting information among preparers and external auditors of financial reports.

Preparers, in our case, accounting firms or accounting offices, are responsible for the presentation of financial statements complying with IFRS/GAAP for management (Astolfi, 2021). In performing their job, they often exercise professional judgment in applying IFRS, especially in areas where estimates and assumptions are required (e.g., fair value measurements, asset impairments) (Schroeder *et al.*, 2014). On the other hand, external auditors are more focused on the needs of external stakeholders (e.g., investors, regulators, governments, and policymakers) who rely, in their decision-making, on the audited financial statements. Hence, the external auditor serves as a mediator between the company's management and its external stakeholders (Nurunnabi, 2017). In addition, the external auditors, when performing their duties, always proceed from the assumption that the financial statements presented to them are susceptible to being inaccurate and they must ensure that the estimates made by preparers are acceptable and that the financial statements are accurate, which contributes to reducing agency problems (Astolfi, 2021). Given the role of the two professional categories in providing accounting information for decision-makers, by examining their perceived impact of implementing IFRS on the qualitative characteristics of accounting information, this study aims to contribute to the existing literature and provide new insights for Algerian legislators and Accounting Bodies standard-setters, regulators, practitioners, and academicians about enhancing financial reporting practices and accounting information under the adoption of FAS/IFRS. Furthermore, it helps evaluate the effectiveness of IFRS in improving the quality of financial reporting and achieving its objectives of providing decision-useful information to users.

To address the research objectives in the Algerian context, two research questions are formulated as follows:

RQ1: What are the perceptions of Algerian accounting professionals regarding the qualitative characteristics of accounting information after IFRS adoption in FAS?

RQ2: Do different accounting professional groups (preparers and external auditors of financial statements) have different perspectives regarding the qualitative characteristics of accounting information after IFRS adoption in FAS?

To answer the research questions empirically, a questionnaire was used to collect data from a sample of preparers and external auditors of financial statements. The data collected will be analyzed using SPSS and compared to determine any variations in their perceptions regarding the qualitative characteristics of accounting information under IFRS.

The reminder for the rest of the paper is as follows: the second section for the theoretical framework and literature review; the third section for the research method; section four for data analyses and results; section five for discussion; and finally, the sixth section concludes the study.

2. Theoretical framework and literature review

2.1 Qualitative characteristics of accounting information

To be useful for various users, accounting information must adhere to specific qualitative features. The notion of quality is multifaceted, encompassing the defining traits or characteristics of an object, product, or service, setting it apart from others. Each object possesses its own unique quality and it must meet certain requirements or standards to fulfill its intended purpose for the beneficiary. In financial reporting, quality assumes a neo-concept, building upon accounting or financial standards accounting information's quality, therefore, entails a set of characteristics that cater to the needs of those who demand such information (Pravăț, 2014). The International Accounting Standards Board (IASB) (2018) identified the key characteristics of accounting information, which have been divided into "fundamental" and "enhancing." More specifically, the fundamental qualitative characteristics of accounting information are relevance and faithful representation.

The relevance of accounting information is achieved when it can influence the economic decisions of its users by helping them evaluate past, current, and/or future events and confirm or correct their assessments regarding past events (Atta & Draoussi, 2021). Thus, relevance means that accounting information affects decision-makers if it has a predictive value and/or an affirmative value (IASB, 2018). Additionally, as cited in Hamidat (2019: 10), faithful representation is achieved if the financial information "honestly expresses the financial operations and other events that occurred in the company and the phenomena that must be expressed and

visualized. That is, the useful financial information must express the phenomena it represents, and even the financial information depicting the events, operations, and phenomena honestly must magnify and enhance the following qualities: being complete, impartial, and free from errors." In the business context, various scholars argue that the quality of financial information has been recognized as a critical success and is enhanced if it is comparable, verifiable, timely, and understandable (Alasbahi & Ishwara, 2021; Hamidat, 2019; Ali, 2009). Prior studies have found that information about the reporting entity is more useful if it can be compared with similar information about other entities and with similar information about the same entity for another period or for another date (Saudi Organization for Certified Public Accountants, 2020). However, the comparison process requires consistency in the use of accounting policies from one period to another, that is, consistency in the application of those policies (Hamidat, 2019).

The quality of accounting information is also enhanced if it is understandable, and it is so if it is characterized by ease of understanding by any user who has basic knowledge in the field of management, economics, and accounting and has an interest and desire to understand and use the information (Ali, 2009). In addition to the foregoing, obtaining the appropriate information at the right time enhances the possibility of its impact on the quality of decision-making, and therefore, it must be available for the benefit of decision-makers before losing this feature (Alasbahi & Ishwara, 2021). Obtaining financial and accounting information is offset by certain costs. Therefore, for the information obtained to be useful, the benefits associated with acquiring it must be greater than the costs incurred for it (Hamidat, 2019).

2.2 Benefits and challenges of IFRS adoption in Algeria

As a result of economic globalization, accounting standards have become unavoidable. Foreign investors are naturally attracted to investing in countries familiar to them (Elsharif, 2019). Algeria did not remain far from the transformations taking place around the world in the accounting field, as it worked to move to a new accounting system called the Algerian Financial Accounting System in an attempt to align with the IFRS. With funding from the World Bank, Algerian authorities initiated a profound reform of the National Accounting Plan (PCN) in cooperation between the National Accounting Council (CNC) and a group of French experts, under the supervision of the Algerian Ministry of Finance. A series of regulatory legislations were issued, starting with the issuance of Law 07-11 dated 11/25/2007, which includes the FAS, followed by the issuance of Executive Decree No. 08-156 dated 05/26/2008, in addition to the Ministerial Resolution dated 07/26/2008 containing the evaluation and listing rules. The new FAS was applied starting on January 1, 2010 (Ben Abbes & Messif, 2022). This system established common rules - aiming to be compatible with IFRS - for collecting, storing, processing and

disclosing accounting information for Algerian companies that are obliged to keep accounts, to achieve a set of advantages according to Mahmoud *et al.*, (2020):

- Presenting a true representation of the company's performance, the current state of its financial situation, and the developments that took place over the specified period while considering these firms' legal duties;
- Ensuring the highest level of consistency between financial reports presented and those adopted by international companies;
- Enhancing the comparability of financial statements of the same company over different periods and among different companies, whether national or foreign, for a given period;
- Developing knowledge of the economic and accounting mechanisms that control and improve the efficiency and quality of management with the aim of increasing the companies' profitability;
- Granting more regularity, accuracy, and transparency of information produced for managers, owners, partners, the government, and other users of financial information such as employees and creditors by facilitating and providing control procedures over accounts;
- Improving decision-making and risk management for the benefit of users of accounting information, including public authorities and policymakers;
- Giving investors greater confidence in investing their money by publishing complete, honest, reliable, safe, and transparent information;
- Contributing to the preparation of national sectoral economic statistics based on meaningful and credible financial and accounting information;
- Reliable and comprehensive registration of all economic transactions in the institution, which allows for the preparation of more reliable tax declarations.

Despite the advantages expected from the adoption of IFRS in FAS, according to Bouarar (2017), this adoption is accompanied by a set of challenges, such as:

- Rapid acceptance and application of IFRS without adequate time for assimilation and establishment of appropriate institutions (legislation, education, administration, and economics).
- The lack of proficiency among financial and accounting departments about IFRS in Algerian enterprises, which must be strengthened;
- Enterprises have grown familiar with the traditional accounting system, so they resist embracing changes;
- The inefficiency of the Algerian financial market;
- Due to the lack of information and the monopoly competition under which real estate sellers control their market value, it is challenging to apply the fair value to assess tangible fixed assets;
- The insufficiency of the national economic information system, which should be comprehensive and trustworthy;
- Slow development of accounting education in colleges, training facilities, and universities;

- The poor awareness regarding the advantages of accounting, which is regarded merely as a technical tool.

2.3 Literature review and research hypotheses development

Researchers have extensively investigated the impact of IFRS adoption on the qualitative characteristics of accounting information. For example, Bahadır *et al.*, (2016), in their empirical study conducted in Turkey, analyzed the application of IFRS in Turkish publicly traded companies that have been preparing their financial statements under IFRS since 2005 using a questionnaire-based survey, which was completed by 90 Turkish listed firms' chief accountants and financial managers. According to the results, the implementation of IFRS is believed to improve financial reporting by increasing the comparability, quality, and transparency of financial statements. However, the lack of IFRS implementation guidance, sufficient sector-adopted regulations, and the difficulty in applying the fair value concept are considered major challenges to IFRS. Similarly, Ishak (2020) conducted an empirical study in the commercial banking sector in KSA to identify the availability of qualitative characteristics of accounting information in the financial reports under IFRS adoption using a questionnaire. He concluded that the information provided by commercial banks in their financial reports has the qualitative characteristics of accounting information; thus, the financial statements are of good quality. He also came up with some recommendations, such as the necessity of presenting the accounting information in the financial reports in a way that considers the users' knowledge level. Furthermore, Hamdaoui (2020) found in his study entitled "The impact of IFRS adoption on the quality of accounting information: with reference to some countries" that IFRS adoption helps to implement the basic and supportive characteristics of financial information, such as suitability, credibility, reliability, and comparability.

In the Algerian context, we may cite the study of Brahma and Bouras (2021). Using a questionnaire designed and distributed among academicians and accounting professionals, then analyzed using SPSS, they found that the IFRS adoption helps to implement the fundamental and the enhancing characteristics of financial information, such as relevance, credibility, reliability, and comparability. Similarly, Atta and Draoussi (2021), using a questionnaire and distributing it among a sample of academics and accounting professionals to assess the availability of qualitative characteristics in accounting information prepared in accordance with the FAS and its impact on accounting disclosure, concluded that the FAS provides high-quality accounting information that meets the needs of its users; hence, accounting disclosure is improved. Furthermore, Zaafaran and Boudonat (2018) evaluated the quality of financial statements in light of the financial accounting system using a case study method applied on the cattle feeding unit of Mostaganem State, the study found that the adoption of the financial accounting system derived from IFRS

contributed to improving the level of accounting disclosure and the content and quality of financial reports. Moreover, Baghriche and Belaajouz (2021) used a case study method to measure the impact of IFRS adoption on the quality of accounting information for companies listed on the stock exchange and concluded that the adoption of the FAS, which is derived essentially from the IFRS, had a positive impact on the quality of financial information, but this effect is related to the accounting environment and the extent of commitment to the application of the FAS.

All the above-mentioned studies focused on the quality of accounting information, but among professionals and academics without focusing on only auditors.

For auditors' perspectives, we may cite the study of El-Madhoun (2021). He evaluated the relationship between the application of fair value accounting (FVA), as an important concept in IFRS, and the quality of accounting information reported in companies' financial statements from the viewpoint of auditors in Palestine, one of the important financial statement stakeholder groups. Using descriptive statistics and a one-sample t-test, the results revealed that the application of FVA is perceived to enhance the accounting information's fundamental qualities. Furthermore, Elhaj and Soliman (2022) examined the auditors' perceptions on the benefits of implementing the IFRSs, using a survey questionnaire with an open-ended question to supplement the quantitative component of the study. They used SPSS for analyzing the quantitative component and NVivo software to analyze the qualitative data of the open-ended question, discovering that auditors support the adoption of IFRS, and they perceive a positive impact on financial reporting transparency, quality, and comparability. In addition, the study highlighted the need for training for both auditors and accountants on the implementation of IFRS to ensure effective adoption and maximize benefits. To finalize, Faiyyaz and Malik (2022) conducted a literature review study of about 60 papers focusing on foreign direct investments, the qualitative characteristics of financial information, the transparency and comparability of financial statements between domestic sectors, and the expected impact of the introduction of IFRS on cross-border comparisons of different financial statements. The authors concluded that although various research has confirmed that adopting IFRS will bring uniformity, transparency, and reliability, some studies have proved otherwise. Hence, they suggested that further research can be conducted, highlighting different dimensions of the IFRS adoption towards different qualitative characteristics of accounting information such as comparability, verifiability, understandability, and timeliness.

Despite the existing body of research regarding compliance with IFRS and its effect on the quality of financial statements, especially in developed countries (Nurunnabi, 2017), the authors consider that there is a need for a comparative analysis between preparers and auditors to gain insights into their distinct perspectives on the impact of IFRS on the qualitative characteristics of accounting information within the Algerian context. By comparing the perceptions of these two groups, this study

contributes to the existing literature, tries to highlight any differences in their understanding, and gives a new insight to different stakeholders in the Algerian accounting environment (professionals, policymakers, and investors). Based on the literature review and drawing from the principal research questions, the corresponding hypotheses are presented in Table 1.

Table 1. Hypotheses

Research questions	Hypotheses
<i>RQ1: What are the perceptions of Algerian accounting professionals regarding the qualitative characteristics of accounting information after IFRS adoption in FAS?</i>	<p>H1: Algerian accounting professionals have a positive perception regarding the relevance of accounting information after IFRS adoption in FAS.</p> <p>H2: Algerian accounting professionals have a positive perception regarding the faithful representation of accounting information after IFRS adoption in FAS.</p> <p>H3: Algerian accounting professionals have a positive perception regarding the enhancing qualitative characteristics of accounting information after IFRS adoption in FAS.</p>
<i>RQ2: Do different accounting professional groups (preparers and external auditors of financial statements) have different perspectives regarding the qualitative characteristics of accounting information after IFRS adoption in FAS?</i>	<p>H4: Algerian preparers and external auditors of financial statements have different perspectives regarding the relevance of accounting information after IFRS adoption in FAS.</p> <p>H5: Algerian preparers and external auditors of financial statements have different perspectives regarding the faithful representation of accounting information after IFRS adoption in FAS.</p> <p>H6: Algerian preparers and external auditors of financial statements have different perspectives regarding the enhancing qualitative characteristics of accounting information after IFRS adoption in FAS.</p>

3. Research methodology

3.1 Targeted population and sampling technique

The population of the study from which the sample was drawn was comprised of certified accountants, external auditors, and chartered accountants (they are all from accounting and audit services firms). Using the emails of the professionals derived from the website of the National Accounting Board (Conseil National de la Comptabilité (www.cnc.dz)) during the month of November 2023. We considered the two groups of professionals (chartered accountants and accountants) as preparers, and the second group consisting of external auditors. The first group,

preparers, was selected because they are responsible for preparing the financial statements of the firms or companies for which they manage accounts. The second group, external auditors, was selected because they apply accounting standards extensively to provide assurance and consulting services to their clients. To make sure that only competent respondents were selected, a purposeful or judgmental sampling strategy was used, gathering emails of registered certified professionals from the official website of the National Accounting Board.

Onulaka (2014) justifies the selection of this sample strategy under the following conditions: (1) when the target population's units don't all have the necessary components of the sample population equally; (2) when including exceptional and unique units within the sampled population is necessary for the completion of the research. Six hundred questionnaires were distributed via email (300 to preparers and 300 to external auditors). Data was collected during the period (October and November 2023). Only 122 were returned, but 7 were found to be useless. Hence, we have 115 valid responses, divided between preparers (59) and external auditors (56), with a response rate of 19% for preparers and 18.66% for external auditors. According to Andersson and Hellman (2020), e-surveys typically exhibit reduced response rates in comparison to traditional paper surveys.

3.2 Research design

To achieve the purpose of the study, the research design employed was basically a questionnaire survey with accounting and audit professionals (accounting and audit firms in Algeria). Sixteen closed questions were designed according to the content of the FAS law (2007) and the conceptual framework of the IASB (2018). The whole questionnaire was divided into two parts: the first part for demographic variables of respondents; and the second part for closed questions using the five-points Likert scale (1 - strongly disagree, 2 - disagree, 3 - moderately agree, 4 - agree, and 5 - highly agree); this part was divided into three axes according to the objectives of the study. The first axis consists of five items to measure the perception of accounting information relevance after IFRS adoption in FAS. The second axis consists of five other items to measure the perception of faithful representation of accounting information. Finally, the third section consists of six items meant to measure the professionals' perception regarding the enhancing qualitative characteristics of accounting information after IFRS adoption in FAS.

3.3 Research tools

The independent samples t-student tests of differences of means and descriptive statistics (mean, standard deviation) have been applied using SPSS, referring to previous studies such as Noordin *et al.* (2022).

3.4 The instrument validity and reliability

To ensure the validity of the questionnaire for the study, it was submitted to three arbitrators before starting work, and after considering all the directives, the e-survey was prepared and sent to six hundred professionals (three hundred preparers and three hundred external auditors). According to Hamundu *et al.* (2021), a value of less than 0.60 is considered weak, in the range of 0.70 is acceptable, and more than 0.80 is good. Hence, with the result of reliability being 0.93, we consider that the instrument of study is reliable. Thus, if the same sample members were questioned in the same circumstances, 93% of the respondents would have the same answer.

3.5 Demographic characteristics of the study's sample

The demographic characteristics presented in Table 2. indicate that 78.30% of respondents were male, while 21.7% were female. For age, we find that the age group of 40 to 50 years old is the highest with 35.8%, and the lowest rate is for the age group of 25-30 with 8.7%. Considering the educational level, we found that 40% of the respondents are bachelor's degree holders, which is the highest, followed by master's degree holders with a rate of 33.9%, professional training category with a rate of 13.90%, and PhD holders with a rate of 12.2%. Regarding the professional category, 48.70% of respondents are external auditors, while 51.3% of respondents are financial statements preparers. For the working experience, 48.8% of the study sample has between 11 and 20 years of experience, whereas 27% and 26.1% of respondents have more than 20 years of experience and between 5 and 10 years, respectively, and finally 15% of the study sample have less than 5 years of experience.

Table 2. Demographic characteristics of study's sample

Variable	Frequency	(%)	Variable	Frequency	(%)
Gender			Age (year)		
Male	90	78.30	Between 25 and 30	10	8.70
Female	25	21.70	Between 31 and 40	32	27.80
			Between 41 and 50	43	37.40
			Older than 50	30	26.10
Total	115	100%	Total	115	100%
Educational level			Professional experience (years)		
Bachelor's	46	40.00	Less than 5	14	12.20
Masters	32	33.90	Between 5 and 10	30	26.10
Doctorate	14	12.20	Between 11 and 20	40	48.80
Professional training	16	13.90	More than 20	31	27.00

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Variable	Frequency	(%)	Variable	Frequency	(%)
Total	115	100%	Total	115	100%
Professional Category					
Certified Accountant	36	31.30	Preparers	59	51.30
Chartered Accountant	23	20.00	External auditors	56	48.70
Total	59	51.30%		115	100%

4. Results and data analysis

4.1 Descriptive statistics

The detailed results of descriptive statistics are presented in Table 3. With three axes of the items used in the survey, the mean, standard deviation, and scope of answers are calculated. For the first axis (relevance of accounting information), which measures the perception of accounting professionals regarding the accounting information relevance under IFRS, the highest mean (3.71) was recorded for item 5, while the lowest mean (3.56) was recorded in the case of item 1, with a mean of 3.63 for the whole axis. Moving to the second axis (faithful representation of accounting information), which measures the perception of faithful representation of accounting information after IFRS adoption in FAS, we found that the highest mean value is 3.59 for item 7 and the lowest mean value is 3.51 for item 8, with a mean value of 3.51 for the whole axis. For the perception of the accounting professionals regarding the enhancing qualitative characteristics of accounting information after IFRS adoption in FAS (third axis), the results indicate the highest mean value (3.94) for the item 15, while the lowest mean value (3.50) was recorded for item 11, with a mean value of 3.63 for the whole axis.

Table 3. Results of arithmetic means and standard deviations of each item

Items (115 valid responses)	Mean	Std. Dev. (SD)	Scope of responses
1	3.56	0.82	Agree
2	3.57	0.62	Agree
3	3.63	0.84	Agree
4	3.69	0.83	Agree
5	3.71	0.79	Agree
Total first axis:	3.63	0.64	Agree
6	3.52	0.68	Agree
7	3.59	0.66	Agree

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Items (115 valid responses)	Mean	Std. Dev. (SD)	Scope of responses
8	3.45	0.91	Agree
9	3.48	0.83	Agree
10	3.51	0.86	Agree
<i>Total second axis:</i>	3.51	0.63	Agree
11	3.50	0.90	Agree
12	3.70	0.86	Agree
13	3.81	0.82	Agree
14	3.79	0.74	Agree
15	3.94	0.76	Agree
16	3.63	0.84	Agree
<i>Total third axis:</i>	3.73	0.62	Agree
Total of the Questionnaire	3.63	0.58	Agree
Note: Items formulated based on the conceptual framework of FAS (Law N°.07-11, 2007), and IASB (2018). The full content of items is presented in Appendix A.			

Based on the descriptive results for the whole questionnaire, it is remarkable that all items' means are in the scope of "agree," which indicates that the Algerian accounting and auditing professionals perceive a good level of qualitative characteristics of accounting information to an acceptable degree after IFRS adoption in FAS.

4.2 Hypotheses testing

4.2.1 Descriptive statistics

To answer the first three hypotheses, descriptive statistics were computed with the results presented in Table 4. Data was collected from respondents who were external auditors (56) and preparers of financial statements (59). For the perception of the relevance of accounting information after IFRS adoption, statistics revealed an overall mean value of 3.69 with SD = 0.73 for preparers and a mean value of 3.58 with SD = 0.54 for external auditors. This means that both preparers and external auditors perceive a good level of the accounting information's relevance after the implementation of FAS, with little difference in means between preparers and external auditors. Thus, H₁ is supported. Furthermore, for the professionals' perception regarding the accounting information's faithful representation after the

adoption of the FAS, analyses show an overall mean score of 3.58 with a SD of 0.69 for preparers and a mean value of 3.43 with a SD of 0.55 for external auditors. This indicates that there is a positive perception regarding the faithful representation of accounting information after the application of the FAS, but with little difference in perception between preparers and external auditors, with a higher mean value for preparers. Therefore, we accept H₂. Finally, for the professionals' perception regarding enhancing qualitative characteristics of accounting information after the application of the FAS, the results show an overall mean score of 3.80 with a SD of 0.69 for preparers and a mean value of 3.65 with a SD 0.54 for external auditors. This indicates that there is a positive perception regarding the enhancing qualitative characteristics of accounting information after the IFRS adoption in the FAS, but with a bit higher value compared to relevance and faithful representation. The results also show a small difference in perception between preparers and external auditors, with a higher mean value for preparers. Hence, we conclude that H₃ is supported.

Table 4. Comparative descriptive statistics for each axis

Axis	Professional Category	Valid	Mean	Std. Deviation
First axis H ₁	Preparers	59	3.69	0.73
	External Auditors	56	3.58	0.54
Second axis H ₂	Preparers	59	3.58	0.69
	External Auditors	56	3.43	0.55
Third axis H ₃	Preparers	59	3.80	0.69
	External Auditors	56	3.65	0.54

4.2.2 Independent Samples t-test

To test hypotheses H₄, H₅, and H₆, the appropriate test to carry out is the independent samples t-test for the difference between the means of the two groups of professionals (preparers and external auditors) (Noordin *et al.*, 2022). The results are presented in Table 5.

For H₄ the analysis shows that there were no significant differences in the perception of the relevance of accounting information among preparers and external auditors after the adoption of IFRS in FAS, as p-value = 0.365 (>0.05). Hence, H₄ is rejected.

To test H₅, we conducted the same test and the results showed that there were no significant differences in the perception of the faithful representation of accounting information among preparers and external auditors after the adoption of IFRS in the FAS, with a p-value of 0.190(>0.05). Thus, we reject H₅.

Finally, for the significant differences in the perception regarding the enhancing qualitative characteristics of accounting information among preparers and external

auditors after the adoption of IFRS in the FAS, results show that there was no significance of differences ($p\text{-value} = 0.199 \geq 0.05$); therefore, we reject H_6 .

Table 5. Independent samples t-test results

Hypothesis	t-value	Df.	Sig.	Mean difference	Std. error difference	Lower	Upper
H₄:	0.91	113	0.37	0.11	0.12	-0.13	0.35
H₅:	1.32	113	0.19	0.15	0.12	-0.08	0.39
H₆:	1.29	113	0.20	0.15	0.12	-0.08	0.38

5. Discussion

The research aims to investigate the perception of Algerian accounting and auditing professionals toward the qualitative characteristics of the accounting information, namely relevance, faithful representation, and enhancing qualitative characteristics after the adoption of the Financial Accounting System (FAS), which is essentially derived from IFRS. It also investigates whether this perception differs between the two key stakeholders' perspectives (preparers and external auditors). Descriptive statistics were conducted to measure the responses of the study sample and answer the first three hypotheses (H_1 , H_2 , and H_3), whereas the independent samples t-test was performed to test the last three hypotheses (H_4 , H_5 , and H_6) and compare differences in responses between the two groups. According to the results of the hypotheses testing derived from the first research question, the study found that the Algerian accounting and auditing professionals hold a positive perception regarding the qualitative characteristics of accounting information, namely, relevance, faithful representation, and enhancing characteristics, after the adoption of the financial accounting system (FAS/IFRS). These results are in line with prior research, such as the study of Brahma and Bouras (2021), which found that IFRS adoption helps to implement the basic and supportive characteristics of financial information, such as relevance, credibility, reliability, and comparability. The results of the study are also in line with the study of Bahadira *et al.* (2016), which concluded that IFRS adoption enhances the comparability of accounting information. Moreover, the results of our study are supported by the studies of Atta and Draoussi (2021), Baghriche and Belaajouz (2021), and Zaafaran and Boudonat (2018) as they found that IFRS adoption in Algeria contributes to enhancing the quality of accounting information and therefore the financial reports produced for different decision makers and stakeholders. Furthermore, and from auditors' perspectives, our findings are supported by the study of El-Madhoune (2021), which focused on the viewpoint of auditors about fair value accounting (FVA), which is a basic concept in the IFRS, and found that FVA is perceived to enhance the accounting information's fundamental qualities. Similarly, focusing on the auditors' perceptions, Elhaj and Soliman (2022) found that auditors support the adoption of IFRS, and they perceive

a positive impact on financial reporting transparency, quality, and comparability; thus, our findings are supported.

For hypotheses H₄, H₅, and H₆, the study found that there are no significant differences between the two key groups (preparers and external auditors of financial statements) regarding their perception of the qualitative characteristics of accounting information after the adoption of IFRS in FAS. Hence, the study's comparative analysis of preparers and external auditors indicates a significant alignment in their perceptions, suggesting that both stakeholder groups acknowledge a degree of qualitative characteristics of accounting information following the adoption of IFRS within the Algerian context. This convergence of perceptions between those responsible for financial statements preparation and those responsible for verification and certification gives a collective endorsement of the advantages of IFRS adoption.

6. Conclusion

With a focus on the perspectives of preparers and external auditors, this paper contributes to existing literature by examining the perceived qualitative characteristics of accounting information after IFRS adoption, from the perspective of two key stockholders (preparers and auditors). We uncovered important insights about the consequences of IFRS adoption in the Algerian context.

Firstly, the comparative analysis of preparers and external auditors' perceptions in the study reveals an important alignment in their perspectives, and the overall alignment suggests that both professional groups are aware of the transformational impact of the implementation of IFRS. This understanding between those in charge of preparing financial statements and those in charge of verification represents a general agreement on the advantages of implementing IFRS rather than being a choice. Additionally, IFRS adoption can be regarded to enhance the relevance, faithful representation, and other enhancing characteristics of accounting information. Such findings are critically important for accounting professionals and corporate decision-makers. They should consider the importance of adopting IFRS to improve the qualitative characteristics of accounting information (relevance, faithful representation, and enhancing qualities) for better decision-making results. Furthermore, decision-makers and companies' owners should provide continued training for accounting professionals who can deal with IFRS to keep updated about the accounting changes in the world.

Algerian policymakers may consider the results of this study as a positive indicator of their decision to adopt IFRS and encourage them to open workshops with professionals to work on updating the financial accounting system. Similarly, educational institutions may consider this study as a sign from the accounting

environment to focus on the importance of IFRS and develop programs that comply with this changing environment. In conclusion, the shared positive perception among preparers and external auditors regarding the qualitative characteristics of accounting information enhances the credibility and reliability of financial statements produced via this financial accounting system. It also boosts investors and other stockholders' confidence, contributes to the overall stability and integrity of financial markets, and reduces agency problems. Consequently, it is essential for academics, professionals, and standard setters to persist in engaging with the current discourse concerning the ramifications of IFRS adoption on financial reporting quality and global convergence as it evolves.

Due to the low response rates and since the size of the population is not exactly known, with 56 responses from external auditors and 59 from preparers of financial statements in Algeria, the authors suggest future studies to include a larger sample size and focus on other stakeholders' categories, such as managers and external auditors' perceptions or bankers, investors, and fiscal administration's executives. Additionally, the authors suggest a comparative study considering other demographic criteria, such as gender, educational level, and especially experience. Furthermore, a comparative study could be carried out to compare Algerian professionals' perspectives with those of other Arab or developing countries, such as Tunisia, Libya, Egypt or KSA.

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Appendix A: Details of arithmetic means and standard deviations of each item

Item	Description
1	The Algerian financial accounting system (FAS) contains a set of alternative measurements that allow the preparation of more relevant financial information that honestly reflects the economic reality of a company.
2	The FAS contains a set of evaluation and listing rules for loans and other financial liabilities, which contributes to the production of relevant information for internal audit, investors and other stakeholders.
3	The application of the FAS contributes to the production of financial statements capable of providing relevant information on the financial position and performance of the company.
4	The information provided using the FAS respects the principle of relative importance of the information, which is very important for decision makers.
5	The information prepared according to FAS contributes to assisting decision-makers in estimating past, present, or future events of the businesses.
<hr/> <i>First axis: relevance of accounting information</i> <hr/>	
6	The FAS contains evaluation and listing rules for non-current assets that allow the production of reliable financial information.
7	The evaluation and listing rules contained in the Algerian financial accounting system for stocks allow the production of reliable financial information.
8	The financial statements prepared in accordance with the financial accounting system reflect the true and actual financial position of the company.
9	Applying the FAS contributes to the production of accounting information free from error or prejudice, which can be trusted by its users to provide an honest picture of the financial position of the company.
10	Applying the FAS contributes to the production of accounting information that is neutral, unbiased, and does not reflect pre-prepared results.
<hr/> <i>Second axis: faithful representation of accounting information</i> <hr/>	
11	Accounting information provided by the financial accounting system is easy to understand by any user who has reasonable knowledge of business.

Item	Description
12	Applying Algerian financial accounting system, contribute to enhancing financial statements' comparability with other companies' Statements, and (for the same company over several financial years).
13	Preparing the Income statement according to the FAS, allows displaying the various levels of activity in the company in a way that allows for a more understandability of the company's performance.
14	The mandatory of keeping accounting documents and books for a period of ten years, contribute to enhancing the verifiability feature over time in when needed.
15	Providing information in the appendix according to the FAS, allows for more understanding of the financial statements, and gives more details about the company's activities.
16	A period of 4 months is considered sufficient to prepare financial statements that contribute to enhancing the feature of providing accounting information in a timely manner.

Third axis: enhancing qualitative characteristics of accounting information

Note: Items formulated based on the conceptual framework of FAS (Law N°.07-11, 2007), and IASB (2018).
