

Audit in Algeria in the face of global requirements: reforms and challenges

L'audit en Algérie face aux exigences mondiales : réformes et défis

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Abstract:

This study emphasizes the significance of audit quality in a complex and regulated economic landscape, wherein audit firms guarantee the transparency and compliance of financial data. The auditor, as an autonomous professional, ensures the accuracy of financial statements. International standards have been established to regulate and improve the practices of audit firms. In Algeria, the accounting profession has undergone a transformation, particularly due to the initiatives of the Joint Quality Control Commission. The research examines these reforms, the existing problems, and the ability of Algerian audit firms to adhere to international standards.

Keywords : Audit, Accounting, Audit Standards, Accounting Reform, Accounting and Financial Information

ملخص:

تسلط هذه الدراسة الضوء على أهمية جودة التدقيق في بيئة اقتصادية معقدة ومنظمة، حيث تضمن شركات التدقيق الشفافية والامتثال للمعلومات المالية. يضمن المدقق، كمحترف مستقل، موثوقية البيانات المالية. وقد وضعت معايير دولية لتوجيه وتحسين ممارسات شركات مراجعة الحسابات. في الجزائر، وبفضل اللجنة المشتركة لمراقبة الجودة، أدت الإصلاحات إلى تحديث مهنة المحاسبة، ويتناول المقال هذه الإصلاحات والتحديات الحالية وقدرة شركات التدقيق الجزائرية على التكيف مع المعايير الدولية.

الكلمات المفتاحية: مراجعة الحسابات، والمحاسبة، ومعايير مراجعة الحسابات، والإصلاح المحاسبي، والمحاسبة والإبلاغ المالي

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1. Introduction :

In an ever-changing economic environment of increasing complexity and regulation, audit quality has become a major issue for companies and stakeholders. Financial transparency, compliance with accounting standards and the reliability of information provided to investors, creditors and regulators are essential roles of audit firms.

Indeed, it is the auditor's responsibility to guarantee the reliability, sincerity and true and fair presentation of accounting and financial information. As a skilled and independent professional speaker, he or she expresses a reasoned view and offers objective assurance regarding the accuracy and integrity of financial accounts to bolster the credibility of corporate financial information.

In response to these growing demands, quality management standards have been developed globally to regulate and improve practices within these audit firms.

The reforms, which sought to modernize and harmonize accounting and auditing with international standards, have had a major impact on their practices in Algeria.

This article analyzes the progression of changes in Algeria's accounting profession, emphasizing the operations of the joint quality control commission inside the National Accounting Council. It also addresses current challenges, future prospects, and the capacity of Algerian audit firms to align with international standards.

2. History and Context:

The origins of quality standards trace back to the 1970s, when the IAASB established the initial standards. Nonetheless, events like the Enron scandal in 2001 have revealed deficiencies in auditing systems, necessitating immediate adjustment. In 2014, the IAASB began reviewing the quality standards framework in response to these challenges, launching a project to update existing standards.

a. Development of ISQM Standards

Work on ISQM standards really took off with the publication of a consultation paper in 2018, aimed at gathering feedback on proposals for new quality standards. In December 2020, the IAASB finalized and issued ISQM 1 and ISQM 2, which were implemented on December 1, 2022.

- ISQM 1: It Establishes the criteria for a quality management system within the organization, underscoring the need of a quality-oriented culture. It is critical that firms proactively identify and manage quality risks.
- ISQM 2: The purpose of this standard is to ensure quality for each audit engagement. Auditors should consider quality risks when planning and carrying out their tasks.

ISQM 1 and ISQM 2 were designed to replace IASCQ 1 and strengthen quality control requirements within audit engagements. These standards represent a significant step towards a more integrated and proactive approach to quality management, providing audit firms with the opportunity to better adjust to current realities and meet the growing expectations of stakeholders.

The transition to ISQM signifies a significant transformation in the auditing sector, emphasizing the necessity of a quality-centric culture throughout all organizational tiers and acknowledging that the onus of quality resides not solely with individual auditors, but also with management and the firm's comprehensive management framework.

b. Relationship to ISA 220

In the context of ISQM, ISA 220, entitled " **Quality Control for an Audit of Financial Statements** ", is a key standard. While ISQM 1 and ISQM 2 set out criteria for the firm and engagements, ISA 220 emphasizes quality control in each particular audit engagement. It specifies the lead auditor's responsibility to ensure that the engagement is performed in compliance with the necessary quality standards.

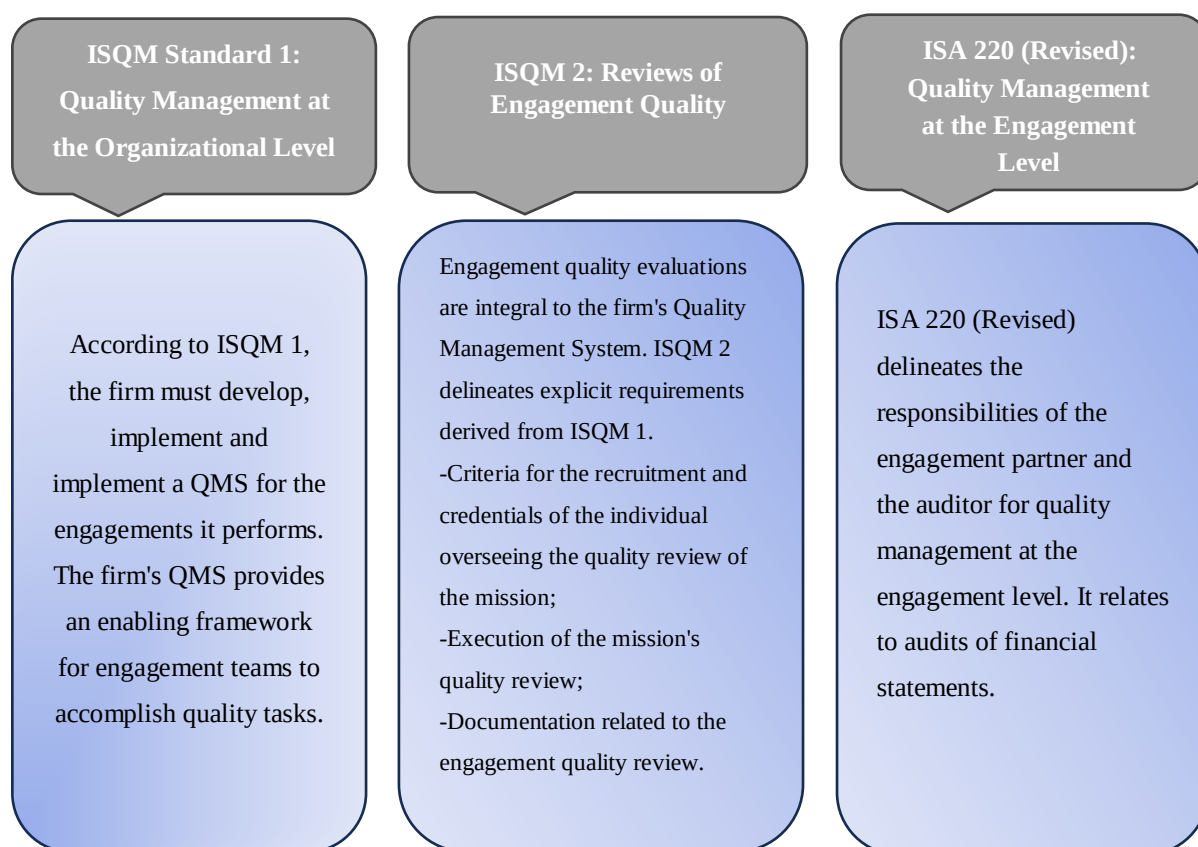
The relationship between these standards is intrinsic: ISQM 2 is based on the principles set out in ISA 220. Auditors must implement the requirements of ISQM 2 to ensure that each engagement meets the quality standards set by ISA 220. In this way, ISA 220 complements the quality management framework by specifying the expectations for each audit engagement, and ensures consistency and integration of quality practices.

c. Adoption and Implementation

The transition to ISQM standards has played a critical role in the professional field. Implementation has been facilitated by professional organizations, such as the Order of Chartered Accountants, which have provided resources and training. The opinions of professionals were also taken into account in order to adapt the requirements and make them feasible.

Firms have had to adapt their practices to comply with these new standards, involving investments in training and resources. The adoption of ISQM standards, in synergy with ISA 220, has led to a significant improvement in quality practices within audit engagements.

Figure 1: Correlation among ISQM 1, ISQM 2, and ISA 220



Source: ISA 220 (Revised), Quality Management for an Audit of Financial Statements

3. ISQM Standards:

a. Scope of the ISQM1 standard

ISQM1 specifies the obligations of firms on the design, implementation, and operation of a quality management system for audits, restricted reviews of financial statements, and other related assurance or service engagements. Concerning the evaluations of engagement quality, which form part of the firm's quality management system :

- This ISQM standard mandates that the firm establish policies or procedures for engagements necessitating a quality assessment.
- The primary emphasis is on the appointment and qualification criteria of the engagement quality reviewer, along with the process of conducting and executing the engagement.

The International Auditing and Assurance Standards Board (IAASB) has adopted alternative perspectives based on the following principles:

- They are based on the assumption that the firm must comply with ISQM standards or, at a minimum, the similarly rigorous requirements pertinent to each country.

- These requirements are delineated for the engagement partner and other team members about quality management at the engagement level. ISA 220 (amended) delineates the auditor's responsibilities concerning quality management in the audit of financial statements, together with the associated duties of the responsible partner.
- It is important to read the ISQM standard in conjunction with the relevant rules of ethics. Quality management responsibilities for the firm may be defined by legal, regulatory or ethical texts, in addition to those defined in the ISQM standard. This ISQM standard applies to all organizations that do audits, restricted evaluations of financial statements, or other assurance engagements and associated services. The ISQM standard applies to any organization engaged in these types of activities, and the quality management system developed in compliance with its standards guarantees the consistent execution of these engagements.

All firms doing audits, restricted reviews of financial statements, or other assurance engagements and associated services must comply with this ISQM standard. When a firm engages in one of these activities, the ISQM standard is implemented, and the quality management system developed in line with its stipulations fosters consistency in the execution of these activities.

b. ISQM 1: Risk-Based Quality Management Framework

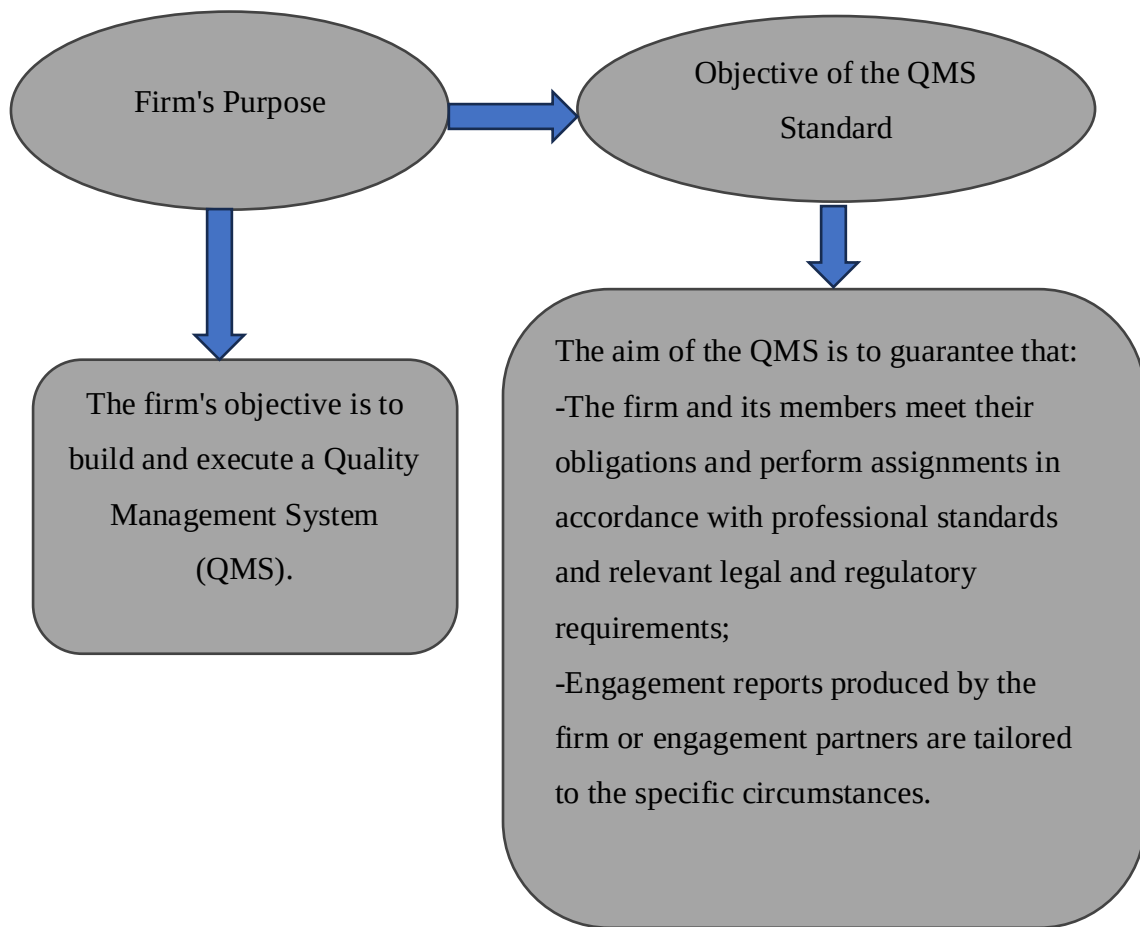
The International Standard on Quality Management 1 (ISQM 1) was designed to address the complex challenges that audit firms face in a dynamic and ever-changing business environment. Unlike previous standards that focused on uniform controls and compliance, ISQM 1 takes a risk-based approach, allowing firms to better adapt to contemporary requirements.

c. Purpose of ISQM 1

The firm's quality management objective is defined in ISQM 1, which states that it must design, implement and operate a QMS. Like any system of internal control, it is essential that the QMS have a purpose. The objective is crucial for the design of the QMS and for evaluating its effectiveness. (i.e., whether its purpose is being achieved). The firm's objective and the QMS objective are therefore addressed in both paragraph 14 of ISQM 1.

ISQM 1 asserts that reasonable confidence does not equate to absolute certainty due to the constraints of a Quality Management System (QMS). The existence of these constraints mostly arises from the potential for judgment errors during decision-making and issues inside the QMS stemming from human errors, behaviors, or faults in computer applications.

Figure 2: Purpose of ISQM 1



Source: done by the author

d. Summary of the eight elements of a Quality Management System as outlined in the ISQM1 standard

Table 1: Components of the Quality Management System as outlined in ISQM1

Corporate Risk Evaluation Procedure	Procedure instituted by the organization as a component of the Quality Management System (QMS)	This procedure delineates the methodology the organization must adopt to execute a risk-based strategy for quality management. It involves setting quality targets, identifying and assessing risks that could jeopardize those goals, and designing and implementing measures to address those risks.
Governance and leadership	Establishes the environment in which the QMS operates	It encompasses subjects including the firm's culture, management accountability and responsibility, organizational structure, delegation of roles and responsibilities, and resource planning and allocation.
Relevant ethical requirements	Special subject essential to the completion of the missions	The matter pertains to adherence to the ethical regulations governing the firm and its personnel. It is also necessary to mention the rules of professional conduct that are relevant to parties outside the firm.
Acceptance and maintenance of client relationships and specific assignments	Special subject essential to the completion of the missions	Adoption and maintenance of client relationships as well as special assignments.
Completion of missions	Critical subjects necessary for the fulfillment of the objectives	Analyzes the measures taken by the firm to promote and ensure the regular performance of quality assignments, in particular by implementing actions of direction, supervision, reviews, consultations and management of differences of opinion. The firm aids engagement teams in exercising professional judgment and, when appropriate, adopting professional skepticism based on the engagement's nature and circumstances.
Resources	Enabling the operation of supplementary components	Examines the procurement, development, utilization, maintenance, and prompt allocation of resources to facilitate the design, implementation, and efficient functioning of the Quality Management System (QMS). It encompasses technological, intellectual, and human resources, as well as the administration of service providers.
Information and Communications	Facilitating the functionality of additional components	It pertains to the acquisition, production, or utilization of information related to the Quality Management System (QMS), In conjunction with the efficient distribution of this information, both internally and externally, to improve the design, execution, and appropriate functioning of the QMS.
Process for follow-up and corrective action	Procedure established by the organization as part of the Quality Management System (QMS)	The process that: Provides the organization with relevant and reliable information concerning the design, implementation, and operation of the quality management system (QMS) in a timely manner. This allows for adequate action to be taken to correct the identified deficiencies, thereby ensuring that they are corrected in a timely manner.

Source: International Quality Management Standard (ISQM) first-time implementation guide

ISQM 2: Scope of this ISQM2 standard

The International Standard on Quality Management (ISQM2) addresses the following elements:

- The criteria for appointing and qualifying the engagement quality reviewer.
- The duties of the individual tasked with the development and documentation of this publication. This ISQM standard is applicable to all engagements that necessitate a quality review in accordance with ISQM 1.

She asserts that the corporation must adhere to the stipulations of ISQM 1 or its equivalent, as well as stringent criteria pertinent to each nation. Furthermore, it is imperative to reference it alongside the pertinent principles of professional conduct.

The evaluation of mission quality, conducted per the ISQM standard, is a targeted response that the firm formulates and executes in alignment with ISQM 1 standards.

The quality review manager, on behalf of the firm, does this review at the engagement level.

The quality reviewer may alter the approaches according to the attributes and circumstances of the engagement or business. In a mission where the crew has made few substantial decisions, it is probable that these procedures will be less comprehensive.

ISQM 2 complements ISQM 1 by focusing specifically on quality controls at the audit engagement level. This standard seeks to guarantee that every audit engagement is conducted to the utmost standards.

e. Purpose of the ISQM2 standard;

The ISQM 2 standard emphasizes the responsibilities of several stakeholders, including the firm and the individual responsible for evaluating the quality of the engagement. Nonetheless, since this official embodies the firm, it is essential to regard the objective of the standard as equivalent to that of the firm itself. The standard, formulated from the company's perspective, is oriented towards outcomes: it delineates the anticipated results of implementing the standard's requirements rather than merely recapitulating those criteria.

The standard clearly stipulates the firm's appointment of an engagement quality reviewer who meets the qualification criteria, along with the expected outcome of the review, which is an unbiased assessment of the key judgments made by the engagement team and the resulting conclusions.

f. ISQM2 requirements ;

ISQM 2 requires rigorous oversight measures, which include:

Supervisory Responsibility:

Each audit engagement should have a lead auditor who oversees the entire process, ensuring that all steps are in line with the standards (IAASB, 2020).

Peer Review:

Engagements should be subject to peer reviews to identify and correct any errors or inconsistencies before audit reports are finalized (O'Leary, 2012). This practice not only improves quality, but also promotes continuous learning within the team.

Documentation:

Documentation is a pillar of the ISQM 2 requirements. Adequate documentation includes:

➤ Clarity and Completeness:

The documentation should be clear and complete, allowing anyone to understand the work done and the conclusions drawn. This is crucial to ensure transparency and accountability (IFAC, 2020).

➤ Conservation and Accessibility:

Firms should establish policies on document retention, ensuring that they are accessible for future reviews and follow-up audits (O'Leary, 2012). This not only boosts quality, but also contributes to regulatory compliance.

Communication:

ISQM 2 highlights the importance of effective communication:

➤ Exchanges between Teams:

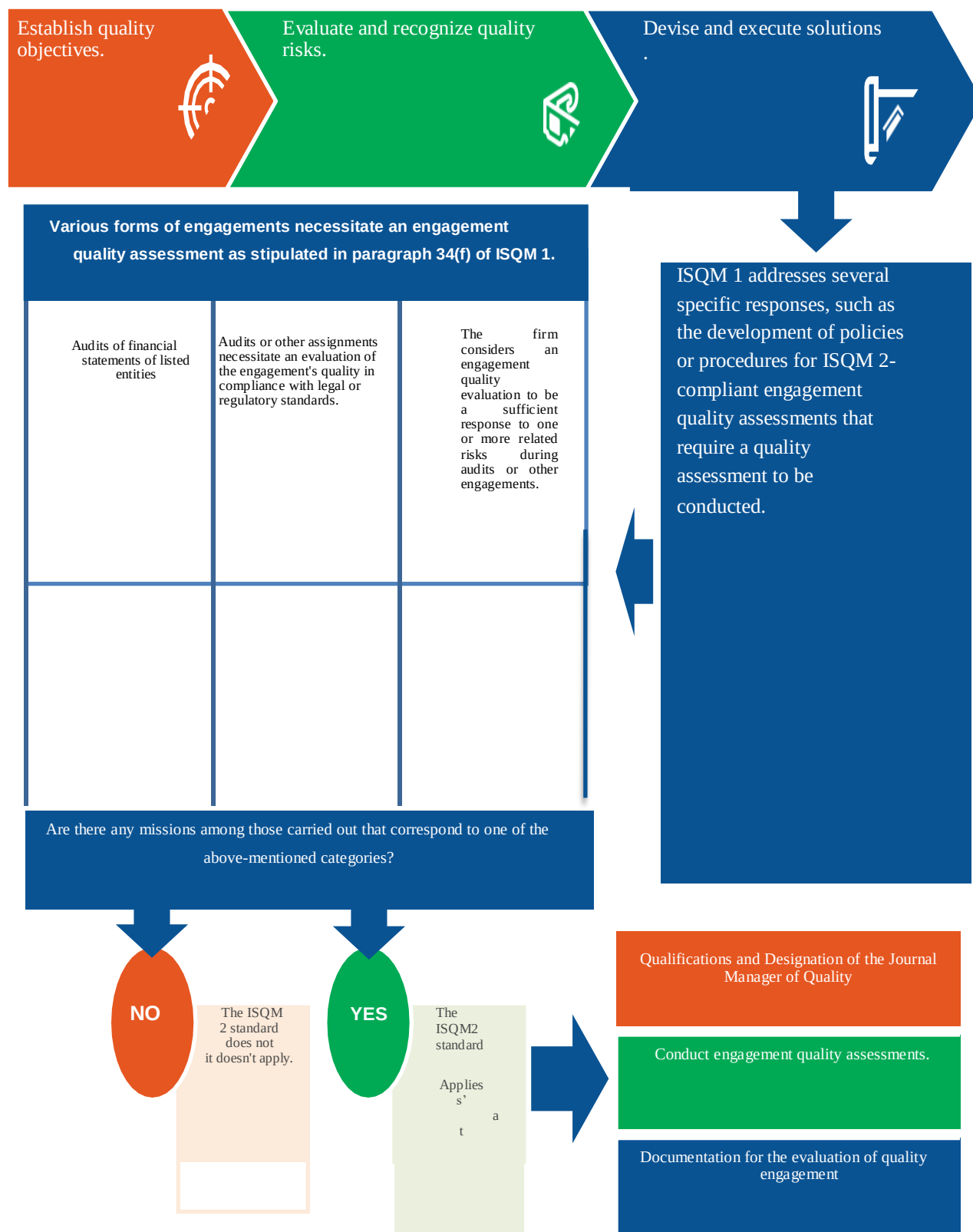
Clear communication between audit team members promotes collaboration and helps identify issues early on. This entails regular meetings to assess the status of the task and the challenges faced. (IFAC, 2020).

➤ Constructive Feedback:

Fostering an environment where feedback is given and received constructively contributes to continuous improvement and the quality of the work done (IAASB, 2020).

4. Diagram illustrating the relationship between ISQM 1 and ISQM 2

Diagram 1: Relationship between ISQM 1 and ISQM 2



Source: Guide to the First Implementation of ISQM2 Management Standards page 7

5. Impact of ISQM Standards

ISQM 1 and ISQM 2 have a significant impact on the auditing profession. They bring substantial benefits to audit firms and stakeholders.

Improved Trust of the Parties Involved

The application of ISQM standards helps to strengthen the confidence of the actors involved, by ensuring high-quality audits. Investors and other market participants can be more confident about the reliability of financial data, which is crucial for making decisions. (Gendron & Bédard, 2006).

a. Continuous Improvement

Standards encourage a process of perpetual improvement. Firms are encouraged to regularly re-evaluate their practices by incorporating risk assessment and quality control processes. This helps them to remain competitive and respond to emerging challenges, such as technological evolution and regulatory changes (Knechel & Vanstraelen, 2007).

b. Management Accountability

Increased management accountability strengthens the governance structure within audit firms. Leaders are encouraged to take a proactive role in quality management, which fosters a culture where continuous improvement is not only expected, but celebrated (IAASB, 2020).

6. Implications for Quality Management in the Algerian Context

a. Reforms of Law 10-01 of 29 June 2010

To address the highlighted deficiencies and guarantee professional qualifications, the Ministry of Finance has enacted a reform of the profession. Law 10-01 seeks to ensure professional stability while enabling the regulatory body to concentrate on enhancing professionals' competencies to meet international standards, thereby equipping them for the competition stemming from the liberalization of accounting services following Algeria's accession to the World Trade Organization (WTO).

Law 10-01 seeks to restore regulatory authority to public entities, reform the profession, and enhance the training standards of professionals, particularly in alignment with international benchmarks.

- Among the essential provisions of this law, we can mention:
- The establishment of three professional classifications:
 - ✓ A nationwide organization of chartered accountants.
 - ✓ A nationwide auditing chamber.
 - ✓ A nationwide association of chartered accountants.
- The Ministry of Finance administers its supervision over these professional bodies by using the National Accounting Council and its representatives on the various professional councils.

- The Ministry of Finance is tasked for giving the requisite authorization to engage in the profession.
- The Ministry of Finance regulates the professional and technical standards for chartered accountants and auditors.
- Chartered accountants and auditors receive training from a specialist educational institution under the Ministry of Finance, whilst chartered accountants are educated by institutions overseen by the Ministry of Vocational Training.

Article 04 of Law 10-01, enacted on 29 June 2010, mandates the establishment of a National Accounting Council, which functions under the authority of the Minister of Finance, concerning the professions of chartered accountant and auditor. The objective is to advance, regulate, and supervise the accounting profession.

The latter comprises the subsequent joint committees:

- ✓ A group for the standardization of accounting practices and professional due diligence.;
- ✓ An approval commission;
- ✓ A training commission;
- ✓ A Disciplinary and Refereeing Commission;
- ✓ A quality control commission.

b. The work carried out by the Joint Quality Control Committee until 2024:

A quality control committee could be set up within an audit firm or accounting firm to ensure that the work carried out complies with professional standards, regulations and internal policies. It is important to assess the skills of staff, to verify compliance with ethical standards and to put in place measures to improve the quality of the services offered.

Until October 2024, The commission's operations were sanctioned by the ensuing work:

- The finalization and distribution of the auditor's standard work file in December 2019,
- The auditor's standard working file was finalized and published in December 2019,
- The implementation of Article 30 of Law 10-01 regarding the notification of statutory auditor appointments,
- In March 2021, the Self-Control Guide for Audit Firms and Accounting Professionals was published.
- The finalization and distribution of the quality control guide in March 2021,
- The development of the self-control guide for audit firms and accounting professionals in October 2023,
- The development of the quality control guide in October 2023,

This work is published with the endorsement of the Committee on the Standardization of Accounting Practices and Professional Diligence.

The last two points, which we develop below, constitute the main subject of our article.

7. Self-Control Guide for Audit Firms and Accounting Professionals:

In the context of quality control, firms must take self-control measures by setting up an internal system for monitoring the quality of their audit engagements.

This approach will consistently guarantee that the audit is conducted in line with professional practice standards and that the presented opinion fully adheres to the requisite principles.

This will enable the demonstration during quality control that the professional maintains a comprehensive policy centered on audit quality.

Definition of self-control:

Self-control consists of verifying by the performer himself the work he has carried out in order to guarantee its traceability and fidelity to the objective of the audit mission. Self-monitoring also makes it possible to plan the appropriate answers to sensitive questions that need to be addressed by the quality controller.

a. The requirements of self-monitoring:

Implementing self-monitoring requires audit firms to have resources and tools to provide concrete and clear answers regarding compliance at all levels of the audit process. Consequently, the criteria emphasize:

- The firm's setup with material and human resources (workspace, appropriate office and IT equipment, qualified collaborators,... etc).
- The documents that the firm has (procedures manual, organization manual and mission calendar),
- Steps to prepare the annual audit program,
- The communicational approach,
- Mastery and competence in audit-related tasks,
- The development of a software application,
- Developed professional competencies,
- The firm's operational practices.

b. Inclination and structure :

In summary, the firm must base itself on the current regulatory framework, in particular the NAA standards, guaranteeing dissemination to all employees. The standards mentioned above are essential to support audit procedures. It is also important to pay close attention to the investigations carried out by sampling and to determine the level of risks that are likely to influence or influence opinion. This approach provides for any potential questions that can be addressed by quality control. **Purpose and strategy of self-control:**

Self-control claims to be:

- An internal alternative method that collects all relevant information, allowing everyone to define their responsibilities in the audit process,
- A method for identifying and assessing any deficiencies identified after the review of files,
- A methodology for meticulously analyzing the factors that have contributed to a risk probability, aiming to accurately identify and categorize them according to mission objectives, and to assess the presence of procedures for managing these risks.
- Support that could result in appropriate recommendations to better understand any similar potential risk or subsequent material misstatement,
- A methodology that transcends mere self-diagnosis and aligns with a framework aimed at addressing the difficulties of information dependability and authenticity to mitigate the risks that may impede the attainment of objectives.

An innovative analysis tool that guarantees, through the acquisition of additional experience, compliance with the standards that conducted the audits carried out, identifying the strengths, weaknesses and areas for improvement.

c. Objectives, periodicity and actors:

Objectives:

The following characteristics are the main objective of self-monitoring within audit firms and accounting professionals:

- Assess the operator's skills while deepening their knowledge and further developing their expertise,
- Receive an objective and detailed assessment of the specific audit engagement in order to prepare stakeholders to accurately answer the quality controllers' questions, if necessary.
- Create a benchmark to ensure that there are no deficiencies in the procedure and actions taken during the audit engagement that could be considered during quality control engagements.

Periodicity:

The company holds sole responsibility for the accuracy of the self-assessment. Nonetheless, it is feasible to establish planning by concentrating on organizations with a greater audit burden and those possessing sensitive characteristics that are purportedly at risk.

Actors:

This activity consists of constructive components designed to guarantee the availability of all resources necessary for the proper execution of the mission in accordance with prevailing standards and regulations.

Employees actively participate in self-monitoring actions, which involves taking charge of the operator himself to detect possible lapses in judgment, inappropriate analyses, an inability of internal control to be adequately evaluated or insufficient vision on risk elements.

Thanks to the self-monitoring process, the operator can assess the quality of his work by building an improved experience in order to approach future missions with more peace of mind and competence.

d. An intrinsic instrument: internal control:

An extensive assessment of internal control is essential to ascertain the impact of this critical mechanism and its ability to reduce significant misstatements and risk factors.

It is imperative to preserve the outcomes of the internal control analysis in the permanent file to evaluate the true impact of this instrument on the control process conducted by the audited entity.

The elements of analysis suggest:

- The existence and execution of internal control processes created in accordance with an officially adhered to and suitable control schedule.
- Assess any deficiencies or advantages to ascertain the influence, hence aiding the evaluation of internal control competencies.

8. Quality Control Manual:

The objectives of quality control are specified in Law 10/01 of 29/06/2010 concerning the professions of chartered accountant and auditor, as well as in Executive Decree No. 11-24 of 27 January 2011, which outlines the composition, organization, and operational regulations of the National Accounting Council.

Quality control is implemented in order to improve procedures and improve the field of accounting auditing.

Quality control is integral to a robust and pertinent strategy for enhancing professional practice mechanisms, resulting in responses that align with ethical standards and a responsible disposition that safeguards against unexpected breaches of professional regulations.

Quality control is a method of regulating audit engagements for accounting professionals.

a. Legal aspects:

The structure, organization, and operational regulations of the National Accounting Council (CNC) were instituted by Executive Decree No. 96-318 of September 25, 1996, and then by Executive Decree No. 11-24 of January 27, 2011. According to Article 10 of this decree, The National Accounting Council is responsible for organizing and planning quality controls.

The National Accounting Council falls under the jurisdiction of the Ministry of Finance. The committee is chaired by the Minister of Finance or their equivalent. It establishes the entire process for setting up controls, with regard to orientations, monitoring, support and practical guidelines.

It is responsible, among other things, for promoting the promotion of professions, monitoring and ensuring that professional files are updated. It should be noted that its responsibility also allows it to monitor and ensure quality in line with changes in accounting policies and international auditing standards.

In accordance with Decree 11-24, the mission of the quality control commission is to:

- Define working practices regarding the quality of services,
- Evaluate and suggest draft regulatory texts concerning quality,
- Ensure the quality of audits carried out by accounting professionals,
- Develop regulations for the governance and management of enterprises.
- Establish protocols to guarantee the quality of the firm's services.
- To ensure compliance with the principles of autonomy and ethics,
- Compile a list of inspectors chosen among the pros to undertake quality control assignments.
- Organize events centered on the technical excellence of the job, ethical standards, and professional conduct expected from consultants in client relations.

b. Accountability for oversight:

- **Execution of controls:** During required audits for the certification of annual accounts, the CNC supervises the accounting firms engaged by companies.
- **Oversight:** The AcSB is the only line entity authorized to oversee and ensure the monitoring of quality control in accordance with changes in accounting policies and auditing standards. In this context, it annually evaluates a control program submitted by the quality control commission, which is integral to the multiannual plan. This entails

monitoring the various control phases till the generation of preliminary and final reports to be communicated to the supervised entities.

- **Obligation of the auditee:** The selected firm cannot object to the regular audit. He is obliged to comply with this obligation and to work together to facilitate its fulfilment. He is required to provide the inspectors with all the information considered essential to carry out their inspection mission, without being able to invoke the ground of professional secrecy. It is requested to provide all necessary explanations, as well as documents and exhibits in order to clarify any issues that the auditors would like to pursue further.

c. Objectives of the control :

Quality assurance is based on legislation, regulations, and standards of professional conduct, ethics, and behavior. The objective of the comprehensive approach is to govern the quality of engagements, including audits and other regulated activities, while taking into account elements such as the environmental context, the effectiveness of organizational and procedural techniques, and compliance with regulatory standards. The regulations provide the structure for the organization of controls (CNC/Quality Control Commission). A minimum frequency of once every six years is permissible. The National Accounting Council may, if considered necessary, increase the frequency and rigor of the audits. The duration of the standard audit is directly related to the firm's size and the nature of the mandates executed.

All practices designated for inspection are notified in advance. The advance preparation for a scheduled inspection encompasses the allocation of all requisite tools to the appointed inspectors.

9. Conclusion:

As a professional, competent and independent practitioner, the statutory auditor is responsible for ensuring the reliability, sincerity and true and fair presentation of accounting and financial information. It presents a reasoned perspective and offers independent and rational assurance of the regularity and fairness of financial statements to bolster the credibility of the financial information provided by companies.

The quality of an audit essentially depends on the auditor's knowledge and is generally characterized by two concepts. The quality of detection is a technical proficiency reliant on the auditor's capacity to discern inconsistencies and/or significant anomalies in the company's financial records. The quality of disclosure, which is akin to independence, is based on the probability that an error detected during the audit will be revealed.

The National Accounting Council in Algeria has implemented reforms that have marked a new era for the profession, which has been widely perceived. by the participants in the accounting industry, specifically through the new structure, the revised statute of the organization, and its updated objectives in the accounting and financial fields. It has also promoted the emergence of an accounting model associated with the public and private sectors, thus bringing the Algerian accounting regulatory system closer to international standards.

In October 2023, the Quality Control Commission published the Self-Control Guide for Audit Firms and Accounting Professionals. This guide should be used to develop an internal control system within audit firms. In addition, the quality control guide will then serve as a reference for quality controllers during inspections of firms in the three professional categories.

Despite notable advancements in the regulation of accounting professionals in Algeria, numerous projects remain to be finalized by the ad-hoc commissions of the National Accounting Council and the councils of the three professional categories to align with and update international standards, including:

- *The release of the most recent Algerian Auditing Standards to provide guidance for conducting statutory audits, with the objective of achieving high-quality audits.*
- *Establish a minimum requirement of hours for continuous professional development to guarantee the sustained competency of professionals and maintain the necessary standards of competence and quality within the field.*
- *The revision of Law 10-01 aims to augment the autonomy of the statutory auditor and reassess his responsibilities.*
- *Implementing quality monitoring of audit firms and promoting awareness among professionals regarding the beneficial impacts of this project, with the objective of enhancing service quality and reinforcing trust between auditors and auditees. Implementing quality monitoring of audit firms and enhancing knowledge among professionals on the beneficial impacts of this project, with the objective of elevating service quality and reinforcing trust between auditors and auditees.*
- *The predominant demographic of statutory auditors consists of individuals aged over fifty. This means that the renewal of audit experts will be extremely complex. It is essential that public authorities quickly take charge of the training of new teams of auditors.*