The Extent to Which Statutory Auditors Rely on Algerian Auditing Standards in Preparing Financial Reports

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ARTICLE INFORMATION

Research Paper
Received: 30/4/2026
Accepted: 26/8/2026
Published: 25/9/2026

Keywords:
Algerian auditing standards;
Statutory auditors;
Auditing profession;
Electronic auditing.

JEL ClassificationCodes : M41, M42.

Abstract:

This study aims to demonstrate the extent to which statutory auditors rely on Algerian auditing standards in the auditing process. The study highlights several aspects, including the auditing profession in Algeria, electronic auditing, and Algerian auditing standards.

To achieve the objective of the study and support its main idea, a questionnaire was used and distributed to the study sample, which consisted of statutory auditors, certified accountants, accounting experts, and university professors specializing in accounting and auditing. Based on the study results, it was found that Algerian auditing standards contribute to improving the quality of financial reports and developing the auditing profession, particularly in light of technological advancements.

Mots clés :
Normes algériennes d'audit ;
Commissaires aux comptes ;
Profession d'audit ;
Audit électronique.
Codes de classification JEL : M41, M42.

Lerésumé

Cette étude vise à mettre en évidence l'étendue du recours du commissaire aux comptes aux normes algériennes d'audit dans le processus d'audit. Elle met l'accent sur plusieurs aspects, notamment la profession d'audit en Algérie, l'audit électronique, ainsi que les normes algériennes d'audit.

Afin d'atteindre l'objectif de l'étude et d'en renforcer l'idée principale, un questionnaire a été utilisé et distribué à l'échantillon de l'étude, composé de commissaires aux comptes, de comptables agréés, d'experts-comptables et d'enseignants universitaires spécialisés en comptabilité et en audit. À travers les résultats obtenus, l'étude a conclu que les normes algériennes d'audit contribuent à l'amélioration de la qualité des rapports financiers ainsi qu'au développement de la profession d'audit, notamment avec l'accompagnement de l'évolution technologique.

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1- INTRODUCTION

Auditing is one of the fundamental tools for ensuring transparency and credibility in the financial reports of entities or economic institutions. It aims to verify the accuracy and fairness of the financial information presented to stakeholders. For this reason, Algeria needed to adopt national auditing standards that are aligned with international standards on the one hand, while taking into account economic and legislative specificities on the other.

Algerian auditing standards were established with the aim of regulating the auditing profession, unifying its procedures, and ensuring the quality of auditors' professional performance. They also regulate the work of statutory auditors and guide them toward performing their duties efficiently. However, the extent to which these statutory auditors comply with the application of these standards in practice remains questionable, especially in light of the professional and regulatory challenges that hinder their effective implementation.

This is where the importance of this topic arises, as it seeks to highlight the degree to which statutory auditors rely on Algerian auditing standards in the auditing process. Algeria has undertaken several reforms and amendments over different stages to regulate this profession, including the issuance of Law 10-01 in 2010 relating to the regulation of the auditing profession. It has also issued several decrees concerning the determination of the bodies supervising this profession, ultimately leading to the issuance of Algerian auditing standards. At present, Algeria seeks to develop the external auditing profession.

1.1- Research Problem

In order to define the scope of the research and discussion, the following research problem can be formulated:

To what extent does the statutory auditor rely on Algerian auditing standards in the auditing process?

The general research problem includes the following sub-questions:

- What is the role of Algerian auditing standards in the statutory auditor profession?
- Are Algerian auditing standards applied regularly through the duties of the statutory auditor?
- How have Algerian auditing standards affected the financial reports of the institution?

1.2- Research Hypotheses

To answer the research problem and the sub-questions, the following hypotheses were formulated:

- Algerian auditing standards have an effective role in enhancing and improving the quality of the statutory auditor profession.
- Algerian auditing standards are applied regularly during the duties of the statutory auditor.
- Algerian auditing standards have had a positive impact on the quality and credibility of financial reports.

1.3- Research Objectives

- To examine the development of the auditing profession in line with technological development.
- To explore the opinions of professionals and academics regarding the reliance of statutory auditors on Algerian auditing standards.

1.4- Importance of the Research

Studying the extent to which statutory auditors rely on Algerian auditing standards in preparing financial reports is of great scientific and professional importance, as it reveals a direct relationship between the application of these standards and the quality and reliability of financial statements and reports in the Algerian environment. This is achieved through:

- Ensuring the quality and credibility of financial information.
- Improving the quality of the statutory auditor's report.
- Regulating the profession and aligning it with international standards.
- Protecting the parties dealing with the institution.

1.5- Previous Studies

1.5.1- First Study

Basri's study, 2021, entitled "International Standards and Algerian Auditing Standards and the Extent of Their Application in the Offices of Statutory Auditors in Algeria"

This study seeks to determine the extent to which statutory auditors apply international auditing standards in general and Algerian auditing standards in particular in Algeria. The study relied on the descriptive analytical approach by designing a questionnaire for the members of a sample consisting of 45 participants, distributed among statutory auditors and accounting experts.

The study concluded that statutory auditors in Algeria, within the framework of carrying out their duties, attempt to apply international and Algerian auditing standards, especially those related to responsibilities, audit planning, standards related to internal control and evidence, standards related to the use of the work of others, audit conclusions, and the issuance of the report.

1.5.2- Second Study

Jamila and Omar's study, 2022, entitled "The Reality of the Accounting Auditing Profession in Algeria in Light of Professional Standards and Algerian Auditing Standards"

This study seeks to identify the reality of the accounting auditing profession in Algeria in light of professional auditing standards after the issuance of 16 Algerian auditing standards. It does so by identifying the professional performance standards in force, the recently issued Algerian auditing standards, and the standards that statutory auditors actually comply with while performing the accounting audit process. The study relied on the descriptive and analytical approach and was conducted on a sample of Algerian auditors. The questionnaire responses were analyzed using the SPSS statistical analysis program.

The study concluded that the standards currently adopted and applied by auditors are the professional performance standards included in the six recommendations, whereas Algerian auditing standards are not being complied with due to the incompleteness of their issuance.

1.5.3- Third Study

Rawani's study, 2023, entitled "The Reality of the Statutory Auditor Profession in Light of Algerian Auditing Standards"

This study seeks to examine the reality of the statutory auditor profession in light of Algerian auditing standards, with reference to statutory auditors' reporting standards and their measurement. The study relied on the descriptive analytical approach by preparing a questionnaire and distributing it to a sample of 50 participants during the year 2023.

The study concluded that it is necessary to emphasize the need to prepare a comprehensive guidance manual for Algerian auditing standards and statutory auditors' reporting standards, especially regarding the audit of major companies such as Sonatrach, in order to address and correct the various gaps.

1.5.4- Fourth Study

Zaaich's study, 2024, entitled "External Audit According to Algerian Auditing Standards: A Study on a Sample of Professionals in Annaba"

This study seeks to determine the reality of auditors' commitment in Algeria to applying Algerian auditing standards. To achieve this objective, a questionnaire was distributed to a sample of auditors, consisting of 50 auditors, in order to test the hypotheses and analyze the questionnaire using the SPSS program, based on the descriptive analytical approach.

The study concluded that auditors in Algeria are required to apply Algerian auditing standards in order to enhance the transparency and credibility of companies' financial statements.

1.5.5- Fifth Study

Charchafa and Kimouche's study, 2024, entitled "Auditing Practices in Algeria under Standard 505: An Empirical Study from the Views of Auditors"

This study aims to explore the reality of auditing practices in Algeria, especially with regard to external confirmations. The study focused on the descriptive and analytical approach after surveying the opinions of 32 auditors in Algerian institutions in the Skikda branch.

The results of the study indicated that legislation plays a major role in improving auditing practices in Algeria. In addition, the audit procedures applied by auditors in the province of Skikda are consistent with the recommendation of Algerian Auditing Standard 505, which is in line with both Algerian and international auditing standards.

1.5.6- Sixth Study

Ghrissi and Snoussi's study, 2024, entitled "The Extent of Application of the Algerian Standard for Auditing 230: Audit Documents by Auditors"

This research paper aims to assess the extent to which external auditors in Algeria apply Algerian Auditing Standard 230, known as "Audit Documentation." To achieve this, a questionnaire was prepared and distributed to a sample of 50 participants consisting of professionals, auditors, and accountants. The SPSS program was used to analyze the study results.

The study concluded that the majority of external auditors are not fully aware of the provisions contained in Algerian Auditing Standard 230. Consequently, this standard is not widely applied and is not relied upon in the preparation of financial statements.

The research gap is reflected in the limited number of studies that have examined the extent to which statutory auditors rely on Algerian Auditing Standards in an applied and direct manner. Most previous research has focused on measuring general compliance or the impact of standards on report quality, while the mechanisms, limits, and influencing factors of such reliance within actual professional practice have not been sufficiently examined. This research paper attempted to provide a comprehensive overview of the Algerian Auditing Standards: "210, Agreement on Audit Engagement Terms"; "505, External Confirmations"; "560, Subsequent Events"; "580, Written Representations"; "500, Audit Evidence"; "300, Planning an Audit of Financial Statements"; "510, Initial Audit

Engagements"; "700, Forming an Opinion and Reporting on Financial Statements, paragraphs 11 to 18"; "520, Analytical Procedures"; "570, Going Concern"; "610, Using the Work of Internal Auditors"; "620, Audit Documentation"; "510, Audit Evidence—Specific Considerations"; "530, Audit Sampling"; and "540, Auditing Accounting Estimates, Including Fair Value Accounting Estimates and Related Disclosures." We attempted to formulate these standards in the form of a questionnaire in order to show the extent to which statutory auditors comply with the actual application of these standards, through a study conducted on a sample of statutory auditors in the wilaya of Ain Temouchent.

2- The Nature of the Statutory Auditor

2.1- Definition of the Statutory Auditor

According to the Commercial Code, Article 715 bis 4, under Legislative Decree No. 93-08 dated April 25, 1993, the ordinary general assembly of shareholders appoints one or more statutory auditors for a period of three years from among the professionals registered on the roll of the national professional body. Their permanent mission, excluding any interference in management, consists of verifying the company's books and financial documents and monitoring the regularity and accuracy of the company's accounts (Commercial Code, 1975, p. 128).

Accordingly, it can be said that the statutory auditor is a person who enjoys special responsibility, independence, and neutrality. The law authorizes the statutory auditor to audit accounts by expressing an opinion on the financial statements and the extent to which they comply with the provisions of the legislation in force (Sefahlor & Ketouche, 2017, p. 87).

2.2- Characteristics of the Statutory Auditor

The statutory auditor has several characteristics, the most important of which are the following (Al-Omari, 2020, p. 05):

Qualifications: These represent knowledge in three main areas:

- In-depth knowledge of accounting, strong mastery of accounting organization, and auditing techniques.
- Knowledge of general economics and business management, which helps the statutory auditor understand the institution properly.
- Sufficient knowledge of business law, enabling the statutory auditor to know the limits of the assignment and their responsibilities on the one hand, and to conduct an in-depth audit of the legal aspects of the institution and their impact on the accuracy and regularity of the financial statements on the other hand.

Independence: The Algerian legislator considered the auditor's independence from the following perspectives (Ben Yahia & Lamour, 2020, p. 106):

- The ethical perspective: This includes the need to uphold the following principles: the principle of neutrality, the principle of ethics, and the principle of required legality.
- The material perspective: In this regard, the legislator highlighted cases of incompatibility that prevent the practice of auditing within the institution, including relatives and in-laws up to the fourth degree, managers, and members of the board of directors.
- The professional perspective: Articles 26 and 27 of Law 10-01 refer to the body authorized to appoint the statutory auditor and to the statutory auditor's profession within the general assembly. This appointment is also linked to its maximum duration, as the statutory auditor's mandate lasts three years and may be renewed once. The decision dated July 29, 2010 also addressed the statutory auditor's fees by setting fee ceilings and minimum limits with reference to the number of working hours devoted to the assignment entrusted to the statutory auditor (Official Gazette, 2010, p. 07).

2.3- Objectives of the Statutory Auditor

The statutory auditor aims to achieve the following (Si Mohamed, 2019, p. 76):

- Ensuring the accuracy of the financial transactions recorded in the institution's books and records in accordance with accepted accounting principles.
- Detecting errors, fraud, and manipulation.
- Expressing an impartial opinion on the accuracy of the financial statements.
- Monitoring the established plans and following up on their implementation.
- Evaluating the institution's activities in relation to the objectives set.
- Achieving the highest possible level of productive efficiency by avoiding waste and ensuring optimal use of resources.

3- General Overview of Algerian Auditing Standards

Algeria is considered one of the last countries to adopt auditing standards. Therefore, we will provide a concept of these standards and their importance, in addition to identifying the reasons for their emergence and their objectives. We also addressed their issuances and the committees responsible for issuing these standards.

3.1- Concept of Algerian Auditing Standards

With the adoption of the market system and the opening of investment opportunities in both the private and public sectors, several other laws were adopted to keep pace with international changes and developments, including international auditing standards. In light of these standards, the Algerian National Accounting Council adopted some standards and modified them according to the nature of work in Algeria. It adopted 16 standards, which were issued in four batches starting from 2016, in order to avoid problems related to difficulty in understanding and applying them by professionals in Algeria.

These standards are defined as the national reference used by auditors in performing their duties and issuing a high-quality report that benefits the stakeholders of the institution in making their investment and other decisions (Hareth & Ben Hamou, 2022, p. 499).

These standards are also defined as one of the main pillars of the auditing profession, as they serve as a general framework that regulates this profession in Algeria. They focus on clarifying the path that the statutory auditor must follow from accepting the engagement until preparing the final report.

3.2- Importance of Algerian Auditing Standards

The importance of Algerian auditing standards lies in the following:

- Raising the level of the auditing profession in Algeria.
- Serving as a guide for the statutory auditor when auditing financial statements.
- Avoiding potential problems and ambiguity regarding the requirements needed by the auditor to achieve the objectives of the audit engagement.
- Improving the quality of audit reports based on objectivity and credibility, away from mere formality.
- Clarifying the duties and responsibilities of the statutory auditor when auditing financial statements.
- Helping statutory auditors avoid errors while auditing financial statements.

3.3- Reasons for the Emergence of Algerian Auditing Standards

Algeria prepared and issued its own standards for several reasons, including the following (Basri, 2021, p. 109):

Algeria's desire to issue standards that are compatible with its working environment and derived from international auditing standards, as well as to improve the auditing profession, since standards are considered a guide that auditors use to improve the quality of their audit reports.

Reforming the auditing profession after the deterioration it witnessed in the review process due to the lack of competence among accountants, especially

after the adoption of the accounting system and the weak internal control systems of some institutions.

The weak role of the structures regulating the auditing profession in Algeria, and the entry of foreigners into the profession, allowing them to access details of the national economy.

The need of the auditing profession for standards that regulate and guide it.

Algeria's implementation of a set of reforms, the most important of which was the reform of the accounting system through the application of the financial accounting system derived from international accounting standards.

Algeria's move toward a free economy and the signing of the Euro-Mediterranean Partnership Agreement, due to its desire to join the World Trade Organization and integrate into the global economy in light of globalization, while opening the field to foreign investment through accounting harmonization.

The issuance of the law relating to the professions of chartered accountant, statutory auditor, and certified accountant. Under this law, the government decided to restructure and regulate the accounting profession by creating professional organizations.

3.4- Objectives of Algerian Auditing Standards

Algerian auditing standards seek to achieve the following objectives:

- Framing the auditing profession within an organized and clearly defined field.
- Reducing differences among professionals.
- Improving professional services and making them more compatible at both the local and international levels.
- Improving and raising the level of efficiency and effectiveness of the reports issued by the external auditor, and making them clearer.
- Encouraging the movement of capital and increasing local and foreign investment in Algeria by providing audited financial reports in accordance with Algerian auditing standards (Basri, 2021, p. 110).

3.5- Steps for Carrying Out the Audit Process

The implementation of the audit process by the auditor goes through four stages, as follows (Khelassi & Ben Loulou, 2022, p. 98):

3.5.1- The Planning Stage

At this stage, the audit process is planned in a way that ensures a high-quality audit conducted economically, efficiently, and effectively, and within the appropriate time frame. This is done in accordance with auditing standards by following these steps:

Determining the objective of auditing companies in which the state contributes a certain percentage of capital, which consists of verifying

whether these companies apply financial and accounting regulations and rules.

Determining the objective of auditing companies in which the state contributes a certain percentage of capital, which consists of supervising the accounts of these companies in order to verify their compliance with what is stated in their statutes.

3.5.2- The Stage of Studying the Components of the Internal Control System

This stage aims to obtain a sufficient understanding of the components of the company's internal control system in order to evaluate that system and determine the sample size. The weaker the internal control system is, the greater the need to increase the sample size and expand the examination of financial statement items.

3.5.3- The Examination Stage or Execution of the Audit Process

At this stage, the statutory auditor relies on examining the various financial reports and financial statements of the institution through a routine annual examination, by means of:

- Analyzing and studying financial data.
- Studying systems and regulations.

3.5.4- The Stage of Preparing the Financial Report

The report represents the outcome and results of the previous steps, as it shows and includes the results of auditing the accounts of the companies subject to the authority's control. Auditing standards require the observance of sufficient professional care when writing the report, as well as compliance with fieldwork standards in terms of the need for the report to be appropriate and to represent the available audit evidence. Finally, the stages of preparing the report can be summarized in the following figure (Harwal & Zaidni, 2023, p. 343).

4. Field Study: The Extent to Which Statutory Auditors Rely on Algerian Auditing Standards in the Auditing Process

4.1 Methodology and Scope of the Study

4.1.1 Research Methodology

In order to achieve the objectives of the study, the descriptive analytical method was adopted. This method is defined as an approach to analysis based on sufficient and accurate information about a specific phenomenon or subject during a known period or periods of time, with the aim of obtaining practical results that are interpreted objectively and in a manner consistent with the actual data of the phenomenon.

4.1.2 Scope of the Study

- This field study was conducted while taking into account its limits, which are as follows:
- Temporal scope: This study was conducted during the period from February 2025 to April 2025.
- Spatial scope: The statistical population consists of a group of academics and professionals.
- Human scope: This study was applied to 30 individuals.

4.2 Tools Used in the Study

To facilitate the data collection process, we relied on the distribution of a questionnaire, which was the main tool for collecting the study data and achieving the objective of verifying the validity of the hypotheses. The questionnaire was distributed to a sample of professionals, including statutory auditors, certified accountants, and certified experts, as well as a sample of academics, namely university professors. The questionnaire consists of three sections related to the study variables.

We adopted the five-point Likert scale to measure the responses of the sample

It should be noted that the study questionnaire was divided into three sections as follows:

- The first section: External auditing, from item 01 to item 10.
- The second section: The extent to which statutory auditors rely on Algerian auditing standards: Standard 210, Agreement on the Terms of Audit Engagements; Standard 505, External Confirmations; Standard 560, Subsequent Events; Standard 580, Written Representations; Standard 500, Audit Evidence; Standard 300, Planning an Audit of Financial Statements; Standard 510, Initial Audit Engagements; and Standard 700, Forming an Opinion and Reporting on Financial Statements, from item 11 to item 18.
- The third section: The extent to which statutory auditors rely on Algerian auditing standards: Standard 520, Analytical Procedures; Standard 570, Going Concern; Standard 610, Using the Work of Internal Auditors; Standard 620, Audit Documentation; Standard 510, Audit Evidence: Specific Considerations; Standard 530, Audit Sampling; and Standard 540, Auditing Accounting Estimates, Including Fair Value Accounting Estimates and Related Disclosures, from item 19 to item 28.

4.3 Study Population and Sample

4.3.1 Study Population

The study population consists of all the elements related to the subject. In our study, the population consists of a sample represented by a group of academics and professionals of different genders. They were contacted randomly in the province of Ain Temouchent as part of a field study on "The Extent to Which Statutory Auditors Rely on Algerian Auditing Standards in the Auditing Process."

4.3.2 Study Sample

For the purpose of conducting the study, a questionnaire was distributed to a group of study participants, who were selected randomly and without bias. Their number was 40 individuals. We were able to recover 31 questionnaires, equivalent to 100%. After examining and reviewing them, only one questionnaire was found to be invalid for the study. Therefore, we finally obtained 30 valid questionnaires for the study, representing 75%.

4.4 Validity and Reliability of the Questionnaire

4.4.1 Internal Consistency Test

Internal consistency validity refers to the strength of the correlation between the scores of each item of the questionnaire and the section to which it belongs. In other words, it measures the validity of these items. The internal consistency of the questionnaire items was calculated for the study sample, which consisted of 28 items, as well as the overall average for each section, as follows:

A. Internal consistency test for the items of the first section

Table No. 01: Correlation of the Items of the First Section of the Study

	Spearman Rank Correlation	Sig
Axis Mean score	0.7	0.006

Source: Prepared by the researchers based on SPSS outputs

Based on the results of the table above, it can be observed that each item of the first section ranges between 0.797 and 0.711, and the overall average of the section is 0.7. The significance level is 0.006, which is less than 0.05, indicating the existence of a statistically significant correlation. This confirms the internal consistency validity of the items of the first section.

Internal consistency test for the items of the second section

Table No. 02: Correlation of the Items of the Second Section of the Study

	Spearman Rank Correlation	Sig
Axis Mean score	0.729	0.0025

Source: Prepared by the researchers based on SPSS outputs

Based on Table No. 03-04, it can be observed that each item of the second section ranges between 0.616 and 0.787, with an overall average of 0.729 and significance levels equal to 0.0025, which are less than 0.05. This

indicates the existence of a statistically significant correlation, confirming the internal consistency validity of the items of the second section.

B. Internal consistency test for the items of the third section

Table No. 03: Correlation of the Items of the Third Section of the Study

	Spearman Rank Correlation	Sig
Axis Mean score	0.712	0.010

Source: Prepared by the researchers based on SPSS outputs

Based on Table No. 03-05, it can be observed that each item of the third section ranges between 0.617 and 0.878, with an overall average of 0.712 and significance levels equal to 0.01, which are less than 0.05. This indicates the existence of a statistically significant correlation, confirming the internal consistency validity of the items of the third section.

4.4.2 Questionnaire Reliability Test: Cronbach's Alpha

Cronbach's alpha coefficient was used, as its value ranges between 0 and 1. The closer it is to 1, the more it indicates a high level of reliability, whereas the closer it is to 0, the more it indicates the absence of reliability.

Reliability test of the questionnaire items for the first section

Table No. 04: Cronbach's Alpha Results for Measuring the Reliability of the Questionnaire for the First Section

	Crombach's Alpha
Axis Mean score	0.676

Source: Prepared by the researchers based on SPSS outputs

Through Table No. 03-06, it can be observed that Cronbach's alpha coefficient for the items of the first section ranges between 0.603 and 0.796, which is greater than 0.60. This indicates the existence of reliability in the measurement tool, which is confirmed by the overall average of the section, with a value of 0.676.

Reliability test of the questionnaire items for the second section

Table No. 05: Cronbach's Alpha Results for Measuring the Reliability of the Questionnaire for the Second Section

	Crombach's Alpha
Axis Mean score	0.745

Source: Prepared by the researchers based on SPSS outputs

Through Table No. 03-07, it can be observed that Cronbach's alpha coefficient for the items of the second section ranges between 0.7638 and 0.815, which is greater than 0.600. This indicates the existence of reliability in the measurement tool, which is confirmed by the overall average of the section, with a value of 0.745.

Reliability test of the questionnaire items for the third section

Table No. 06: Cronbach's Alpha Results for Measuring the Reliability of the Questionnaire for the Third Section

	Crombach's Alpha
Axis Mean score	0.699

Source: Prepared by the researchers based on SPSS outputs

Through Table No. 03-08, it can be observed that Cronbach's alpha coefficient for the items of the third section ranges between 0.630 and 0.744, which is greater than 0.600. This indicates the existence of reliability in the measurement tool, which is confirmed by the overall average of the section, with a value of 0.699.

4.5 Presentation and Discussion of the Responses of the Study Sample Members

4.5.1 Results of the Sample Members' Responses to the First Section

Table No. 07: Results of the Sample Members' Responses to the Items of the First Section

Question	Percentage	Strongly Agree	Agree	Neutre	Desagree	Strongly Desagre	Sum
01	**Percentage**	7	18	3	2	0	**30**
	Frequency	23.3	60	10	6.7	0	**%100**
02	**Percentage**	5	21	3	1	0	**30**
	Frequency	16.7	70	10	3.3	0	**%100**
03	**Percentage**	4	20	6	0	0	**30**
	Frequency	13.3	66.7	20	0	0	**%100**
04	**Percentage**	6	22	1	1	0	**30**
	Frequency	20	73.3	3.3	3.3	0	**%100**
05	**Percentage**	11	15	3	1	0	**30**
	Frequency	36.7	50	10	3.3	0	**%100**
06	**Percentage**	8	19	1	2	0	**%100**
	Frequency	26.7	63.3	3.3	6.7	0	**%100**
07	**Percentage**	13	17	0	0	0	**30**
	Percentage	43.3	56.7	0	0	0	**%100**
08	**Frequency**	3	23	4	0	0	**30**
	Percentage	10	76.7	13.3	0	0	**%100**
09	**Frequency**	3	23	3	1	0	**30**
	Percentage	10	76.7	10	3.3	0	**%100**
10	**Frequency**	4	21	3	2	0	**30**
	Percentage	13.3	70	10	6.7	0	**%100**

Source: Prepared by the researchers based on SPSS outputs

The table shows the results of the sample members' responses to the items of the first section. For the first item, the highest percentage of responses was for "Agree," at 60%, while "Strongly Agree" accounted for 23.3%. The

percentage of "Neutral" responses was 10%, and the percentage of "Disagree" responses was 6.7%, representing the total study sample.

For the second item, the highest percentage of responses was concentrated in "Agree," at 70%, while "Strongly Agree" represented 16.7%. The percentage of "Neutral" responses was 10%, while "Disagree" accounted for 3.3%, completing the total study sample.

As for the third item, the highest percentage of responses was for "Agree," at 66.7%, while "Strongly Agree" represented 13.3%. The percentage of "Neutral" responses was 20%, representing the total sample.

The fourth item followed, with the highest percentage of responses for "Agree," at 73.3%, followed by "Strongly Agree" at 20%. The percentage of "Disagree" responses was 3.3%, and "Neutral" responses also had the same percentage. This represents the total study sample.

Moving to the fifth item, we observe that the highest percentage, 50%, was for "Agree." This was followed by a significant percentage of 36.7% for "Strongly Agree," then 10% for "Neutral," and 3.3% for "Disagree," completing the sample.

The sixth item also shows that the highest percentage, 63.3%, was for "Agree," followed by "Strongly Agree" at 26.7%. The percentage of "Disagree" responses was 6.7%, and finally, "Neutral" accounted for 3.3%, completing the sample.

For the seventh item, we also observe that the highest percentage, 56.7%, went to the same response, "Agree," followed by "Strongly Agree" at 43.3%, representing the total sample.

As for the eighth item, there was no major change, as the highest percentage again went to "Agree," at 76.7%, followed by "Neutral" at 13.3%, and finally "Strongly Agree" at 10%, completing the sample.

The ninth item is then addressed, where the highest percentage was for the response "Disagree," thus representing the total sample.

Finally, for the tenth item, we observe that the highest percentage, 70%, also went to "Agree." The second response was "Strongly Agree," at 13.3%, followed by "Neutral" at 10%, and finally "Disagree" at 6.7%. This represents the total study sample as a whole.

4.5.2 Results of the Sample Members' Responses to the Second Section

Table No. 08: Results of the Sample Members' Responses to the Items of the Second Section

Question	Percentage	Strongly Agree	Agree	Neutre	Desagree	Strongly Desagre	Sum
11	**Percentage**	9	17	4	0	0	30
	Frequency	30	56.7	13.3	0	0	%100
12	**Percentage**	3	18	7	2	0	30
	Frequency	10	60	13.3	6.7	0	%100
13	**Percentage**	2	18	9	1	0	30
	Frequency	6.7	60	30	3.3	0	%100
14	**Percentage**	9	17	2	2	0	30
	Frequency	30	56.7	6.7	6.7	0	%100
15	**Percentage**	3	19	6	2	0	30
	Frequency	10	63.3	20	6.7	0	%100
16	**Percentage**	4	18	7	1	0	%100
	Frequency	13.3	60	23.3	3.3	0	%100
17	**Percentage**	12	12	5	1	0	30
	Percentage	40	40	16.7	3.3	0	%100
18	**Frequency**	4	21	5	0	0	30
	Percentage	13.3	70	16.7	0	0	%100

Source: Prepared by the researchers based on SPSS outputs

The table shows the results of the sample members' responses to the second section. For item eleven, the highest percentage was for the response "Agree," at 56.7%, followed by "Strongly Agree," at 30%. Finally, "Neutral" accounted for 13.3%, completing the total sample.

As for item twelve, the highest percentage also went to the response "Agree," at 60%, followed in second place by "Neutral," at 13.3%. Then came "Strongly Agree," at 10%, while "Disagree" appeared last with a small percentage of 6.7%.

Moving to item thirteen, the highest percentage was also for "Agree," at 60%, followed by "Neutral," at 30%. Then came "Strongly Agree," at 6.7%, while "Disagree" appeared last with a very small percentage of 3.3%, completing the sample.

In item fourteen, we observe that 56.7% was the highest percentage and went to the response "Agree." This was followed by "Strongly Agree," which ranked second at 30%. Finally, "Neutral" and "Disagree" appeared at the same level, each representing 6.7%, thus completing the sample.

Regarding item fifteen, there was no change, as the highest percentage was again for the response "Agree," estimated at 63.3%. This was followed by "Neutral," at 20%. In third place, "Strongly Agree" appeared at 10%, while "Disagree" came last at 6.7%, completing the total sample.

After that, we move to item sixteen, where the highest percentage, 60%, was related to the response "Agree." The second percentage was for "Neutral," at 23.3%, followed by "Strongly Agree," at 13.3%. Finally, "Disagree" appeared at 3.3%.

As for item seventeen, the responses "Agree" and "Strongly Agree" had the same percentage, at 40% each. They were followed by "Neutral," at 16.7%, while "Disagree" appeared last at 3.3%.

Finally, in item eighteen, we observe that there was no change, as the response "Agree" continued to rank first, at 70%. It was followed by "Neutral," at 16.7%, and finally "Strongly Agree," at 13.3%. Thus, the total study sample was fully represented.

4.5.3 Results of the Sample Members' Responses to the Third Section

Table No. 09: Results of the Sample Members' Responses to the Items of the Third Section

Question	Percentage	Strongly Agree	Agree	Neutre	Desagree	Strongly Desagre	Sum
19	**Percentage**	0	1	6	20	3	**30**
	Frequency	0	3.3	20	66.7	10	**%100**
20	**Percentage**	0	2	3	21	4	**30**
	Frequency	0	6.7	10	70	13.3	**%100**
21	**Percentage**	1	1	2	20	6	**30**
	Frequency	3.3	3.3	6.7	66.7	20	**%100**
22	**Percentage**	1	1	3	18	7	**30**
	Frequency	3.3	3.3	10	60	23.3	**%100**
23	**Percentage**	2	1	3	16	8	**30**
	Frequency	6.7	3.3	10	53.3	26.7	**%100**
24	**Percentage**	0	2	6	13	9	**%100**
	Frequency	0	6.7	20	43.3	30	**%100**
25	**Percentage**	0	0	3	20	7	**30**
	Percentage	0	0	10	66.7	23.3	**%100**
26	**Frequency**	0	10	9	10	1	**30**
	Percentage	0	33.3	30	33.3	3.3	**%100**
27	**Frequency**	0	1	8	20	1	**30**
	Percentage	0	3.3	26.7	66.7	3.3	**%100**
28	**Frequency**	0	0	7	18	5	**30**
	Percentage	0	0	23.3	60	16.7	**%100**

Source: Prepared by the researchers based on SPSS outputs

The table above shows the results of the sample members' responses related to the items of the third section. For item nineteen, the highest percentage was related to the response "Agree," estimated at 66.7%. This was followed by "Neutral," at 20%, then "Strongly Agree," at 10%, while "Disagree" represented 3.3%.

As for item twenty, the response "Agree" recorded the highest percentage, estimated at 70%. It was followed by "Strongly Agree," at 13.3%, while

"Neutral" accounted for 10%, and "Disagree" represented 6.7%. This represents the total sample.

Regarding item twenty-one, the response "Agree" also ranked first, at 66.7%. It was followed by "Strongly Agree," at 20%, then "Neutral," at 6.7%. Finally, "Disagree" and "Strongly Disagree" had the same percentage, estimated at 3.3% each.

We then move to item twenty-two, where we also observe that "Agree" had the highest percentage, at 60%. It was followed by "Strongly Agree," at 23.3%, then "Neutral," at 10%. After that, "Disagree" and "Strongly Disagree" appeared at the same level, with 3.3% each, completing the sample.

With regard to item twenty-three, there was no change, as the same response ranked first, namely "Agree," at 53.3%. It was followed by "Strongly Agree," at 26.7%. We then observe that "Neutral" represented 10%, while "Strongly Disagree" accounted for 6.7%. Finally, "Disagree" represented 3.3%, completing the study sample.

As for item twenty-four, the highest percentage was for "Agree," at 43.3%, followed by "Neutral," at 20%. Finally, "Disagree" represented 6.7%, completing the total sample.

For item twenty-five, the highest percentage, 66.7%, was related to the response "Agree," while "Strongly Agree" represented 23.3%, and "Neutral" accounted for 10%, completing the study sample.

Regarding item twenty-six, we observe that the highest percentage went equally to "Agree" and "Disagree," with each representing 33.3%. The second percentage, 30%, went to "Neutral," while "Strongly Agree" represented 3.3%, completing the sample.

When looking at item twenty-seven, we observe that the highest percentage, 66.7%, was related to the response "Agree." It was followed by "Neutral," at 26.7%. Finally, there was equality between "Strongly Agree" and "Disagree," each estimated at 3.3%.

For the last item, item twenty-eight, there was also no change, as the first rank went to "Agree," at 60%. It was followed by "Neutral," at 23.3%, and then "Strongly Agree," at 16.7%. Thus, the total study sample was fully represented.

4.6.Normality Test Before Analyzing the Responses:

To determine whether the data follow a normal distribution or not, we rely on two main tests: the Kolmogorov-Smirnov test and the Shapiro-Wilk test, by formulating the following hypotheses:

- H0: The data follow a normal distribution.
- H1: The data do not follow a normal distribution.

Table No. 10: Normality Test

	Klomogorov Test		**Shapiro Test**	
	T	**Sig**	**T**	**Sig**
Data for the first axis.	0.123	0.195	0.970	0.280
Data for the second axis.	0.150	0.136	0.980	0.420
Data for the third axis.	0.130	0.049	0.960	0.902

Source: Prepared by the researchers based on SPSS outputs

The results of the Kolmogorov-Smirnov and Shapiro-Wilk tests show that the statistical significance values of the study variables were greater than the significance level of 0.05. Therefore, we accept the null hypothesis, meaning that the data follow a normal distribution. Accordingly, in our study, we will use parametric tests to analyze the responses of the sample members and test the study hypotheses.

4.7 Testing the Study Hypotheses

4.7.1 Testing the Hypotheses of the First Section

Table No. 11: Results of the Correlation Coefficient and Fisher Test for the Regression Model Related to the First Hypothesis

Mean	**Std dev**	**R^2**	**R**	**Sig**
2.0750	0.41987	0.94	0.80	0.000

Source: Prepared by the researchers based on SPSS outputs

The table shows that the value of the correlation coefficient R between the independent variable, Algerian Auditing Standards, and the dependent variable, the quality of the statutory auditor's profession, reached 80%, which indicates a high degree of correlation. The coefficient of determination reached 94% of the variance in the dependent variable. The results of the one-way analysis of variance also indicate that the significance level Sig reached 0.00, which is less than 0.05. Therefore, we can say that there is an overall statistical significance of the model.

Table No. 12: Results of the Simple Linear Regression Analysis of Auditing Standards and Their Impact on Report Qualit

Variable	Equation coefficients	Beta	T	Sig
Quality of the statutory auditor profession.	2.237	-	7.115	0.00
Auditing standards	0.434	0.890	5.335	0.00

Source: Prepared by the researchers based on SPSS outputs

The table above shows the existence of a positive relationship between the two variables, as a one-unit change in the value of the independent variable, auditing standards, corresponds to a change of 0.434 in the dependent variable. The calculated t-value is 5.335, which is greater than the tabulated t-value of 1.96. The probability value Sig reached 0.00, which is lower than the significance level of 0.05. This indicates the positivity of the items, meaning that the sample members agree with the content of the items in these dimensions. Accordingly, we accept the alternative hypothesis H1, which is the first hypothesis of the study.

Therefore, it can be said that Algerian Auditing Standards play an effective role in enhancing and improving the quality of the statutory auditor's profession. Algerian Auditing Standards are a set of professional rules and procedures that statutory auditors must comply with when performing their duties. They are considered one of the basic mechanisms for improving the quality of the statutory auditor's profession from an economic perspective, as they improve the quality of financial information. This is one of the key factors in enhancing market efficiency, because the reliability of financial reports represents the cornerstone of economic decision-making by regulatory bodies. Thus, the validity of hypothesis H1 has been confirmed.

4.7.2. Testing the Hypotheses of the Second Section

Table No. 13: Results of the Correlation Coefficient and Fisher Test for the Regression Model Related to the Second Hypothesis

Mean	Std dev	R^2	R	Sig
1.9433	0.33701	0.86	0.75	0.000

Source: Prepared by the researchers based on SPSS outputs

The table shows that the value of the correlation coefficient R between the independent variable, the extent of application of Algerian Auditing

Standards, and the dependent variable, the duties of the statutory auditor, reached 75%, which indicates a high degree of correlation. The coefficient of determination reached 86% of the variance in the dependent variable. The results of the one-way analysis of variance also indicate that the significance level Sig reached 0.00, which is less than 0.05. Therefore, we can say that there is an overall statistical significance of the model.

Table No. 14: Results of the Simple Linear Regression Analysis of the Extent of Application of Auditing Standards and Its Impact on the Duties of the Statutory Auditor

Variable	Equation coefficients	Beta	T	Sig
Statutory auditor duties.	3.150	-	15.715	0.00
Algerian auditing standards	0.199	0.401	3.821	0.00

Source: Prepared by the researchers based on SPSS outputs

The table above shows the existence of a positive relationship between the two variables, as a one-unit change in the value of the independent variable, auditing standards, corresponds to a change of 0.199 in the dependent variable. The calculated t-value is 3.821, which is greater than the tabulated t-value of 1.96. The probability value Sig reached 0.00, which is lower than the significance level of 0.05. This indicates the positivity of the items, meaning that the sample members agree with the content of the items in these dimensions. Accordingly, we accept the alternative hypothesis H1, which is the second hypothesis of the study.

Therefore, it can be said that Algerian Auditing Standards are applied regularly during the statutory auditor's duties through the performance of his role as a controller or auditor of the financial accounts of institutions. He is committed to applying the approved national auditing standards permanently and regularly, that is, continuously, and not exceptionally or randomly. This contributes to reducing the level of information risk, allowing decision-makers to make decisions based on accurate and reliable data. It also contributes to financial and economic stability and helps avoid crises related to the misrepresentation of financial data.

4.7.3 Testing the Hypotheses of the Third Section

Table No. 15: Results of the Correlation Coefficient and Fisher Test for the Regression Model Related to the Third Hypothesis

Mean	Std dev	R^2	R	Sig
1.9433	0.33701	0.92	0.80	0.00

Source: Prepared by the researchers based on SPSS outputs

The table shows that the value of the correlation coefficient R between the independent variable, Algerian Auditing Standards, and the dependent variable, the quality and credibility of financial reports, reached 80%, which indicates a high degree of correlation. The coefficient of determination reached 92% of the variance in the dependent variable. The results of the one-way analysis of variance also indicate that the significance level Sig reached 0.00, which is less than 0.05. Therefore, we can say that there is an overall statistical significance of the model.

Table No. 16: Results of the Simple Linear Regression Analysis of Auditing Standards and Their Impact on Report Quality

Variable	Equation coefficients	Beta	T	Sig
Quality of financial reporting.	2.275	-	6.760	0.00
auditing standards	0.415	0.487	4.867	0.00

Source: Prepared by the researchers based on SPSS outputs

The table above shows the existence of a positive relationship between the two variables, as a one-unit change in the value of the independent variable, auditing standards, corresponds to a change of 0.415 in the dependent variable. The calculated t-value is 4.867, which is greater than the tabulated t-value of 1.96. The probability value Sig reached 0.00, which is lower than the significance level of 0.05. This indicates the positivity of the items, meaning that the sample members agree with the content of the items in these dimensions. Accordingly, we accept the alternative hypothesis H1, which is the third hypothesis of the study.

Accordingly, it can be said that Algerian Auditing Standards have had a positive impact on the quality and credibility of financial reports, and therefore on the level of transparency and accuracy in presenting financial information and improving financial management methods. Their effect is not limited only to the accounting or control dimension, but extends to improving the overall financial performance of the institution, which is

positively reflected in the macroeconomy through the stability of the business environment and the strengthening of market confidence.

5. Conclusion

The field study shows that statutory auditors in Algeria rely on Algerian auditing standards to varying degrees. There is considerable compliance with the standards related to the stages of planning, implementation, and report preparation, especially after the issuance of a package of standards during the period from 2016 to 2018, along with the accompanying professional and legal reforms. However, this reliance remains incomplete, as some studies confirm that the level of compliance has not yet reached the required level. This is due to a set of obstacles that prevent statutory auditors from fully relying on these standards, particularly legislative, professional, environmental, and technical factors. These factors make the practical application of these standards in the field lower than what is theoretically prescribed, which leads many statutory auditors to rely more on professional experience and customary practice than on detailed texts and guidelines.

5.1 Research Findings

- The standards contribute to improving the quality of financial reports.
- Professional oversight enhances compliance.
- Algerian auditing standards are considered a reference on which statutory auditors rely in performing their duties.
- Auditing has a positive role in reducing errors and violations.
- There is variation in the level of application among statutory auditors.
- There is wide reliance on Algerian auditing standards.

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