

The impact of commitment with Algerian auditing standards on the quality of the external auditor's reports

أثر تطبيق معايير التدقيق الجزائرية على جودة تقارير المدقق الخارجي

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Abstract:

This research study shed light on determining the impact of commitment with Algerian auditing standards on the quality of external auditor reports, this study included a random sample of 189 respondents who held the status of external auditors, accounting experts and university professors, in order to achieve the objectives of this study the descriptive and analytical approaches were used by designing an electronic questionnaire and a paper questionnaire to obtain data and then process it using the Spss24 program.

The results of this study showed that there is a very positive impact when adhering to Algerian auditing standards on improving the quality of external auditors reports, based requirement stipulated in the Algerian auditing standards No: 700.

Keys words: Algerian auditing standards. Quality of External auditor reports . External auditor.

JEL classification codes: M42.

ملخص:

لقد سلطت هذه الدراسة البحثية الضوء على تحديد أثر الالتزام بمعايير التدقيق الجزائرية على نوعية تقارير المدقق الخارجي، وقد ضمت هذه الدراسة عينة عشوائية مكونة من مئة و تسعة وثمانين مستجوب يحمل صفة كل من محافظ حسابات و خبير محاسبي و أساتذة جامعيين، و من أجل تحقيق أهداف هذه الدراسة تم الإعتماد على المنهج الوصفي و المنهج التحليلي وذلك من خلال تصميم استبيان إلكترونية و الأخرى ورقية من أجل الحصول على البيانات و من ثم معالجتها بواسطة برنامج Spss24.

وتوصلت نتائج هذه الدراسة إلى وجود تأثير جد إيجابي عند الالتزام بمعايير التدقيق الجزائرية على الرفع من جودة تقارير المدقق الخارجي، وذلك بالإعتماد على المتطلبات التي نص عليها المعيار الجزائري للتدقيق رقم 700.

الكلمات المفتاحية: معايير التدقيق الجزائرية، جودة تقارير المدقق الخارجي، المدقق الخارجي

تصنيف JEL: M42.

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1- Introduction

After the economic transformations occurred in Algeria regarding the development of the financial institutions, it became necessary for the country to engage in changes by adapting implications to organize the auditing profession and the need to take the necessary measures to develop the external auditing profession. In the last few years, Algeria has followed multiple strategies in adopting international accounting standards in the form of the Financial Accounting System (FAS), which was implemented in 2010 after its introduction in 2007. Algerian auditing standards (AAS) were also developed, mainly inspired by International Standards on Auditing (ISA). The main objective of these standards is to integrate Algeria further into the global economy and achieve greater effectiveness of its systems at the sectoral level, including private and public economic institutions, as well as at the overall level, concerning government bodies and public facilities.

Reforms in the auditing profession have culminated in the enactment of Law 10-01, which regulates the profession of accounting expert, external auditor, and certified accountant. This law is one of the most significant reforms adopted by Algeria since independence, focusing on accounting and auditing practices in line with international standards governing these professions. Among the key international auditing standards adopted by Algeria is Standard No. 700, which pertains to the auditor's report. This standard was implemented through Executive Decree No. 11-202, issued on May 26, 2011, defining the main requirements for the auditors report. Subsequently, Decision No. 96, dated June 24, 2013, was issued to determine the content of the external auditors report.

The external auditor is required to express a reasoned opinion on the credibility and accuracy of the financial statements presented to them. This opinion is usually in the form of a written statement or what is known as the final report of the auditor. The auditors report is of great importance to managers and all stakeholders of the financial statements. Algerian auditing standards attach great importance to the outputs and conclusions of accounting auditing processes. These standards aim to shape and modify opinions and ensure the adequacy and sufficiency of disclosures in the external auditors report.

1-1 Research Problematic:

Based on the above, we can formulate the main problem in the form of the following question:

How much do Algerian auditing standards affect in the quality of external auditor reports ?

To answer the main question, we pose the following sub-questions:

1. What is the nature of the auditors report according to Algerian Auditing

Standard	No.	700?
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2. What is the importance of the auditors report?
To answer the sub-questions, we can propose the following hypotheses:

1. There is an impact of Algerian auditing standard on the quality of external auditor reports.
2. The external auditor uses the Algerian auditing standard No 700.

2- Theoretical framework

2-1 External Auditor in Algeria:

The external auditor in Algeria is identified as any natural or legal person who fulfills the role an accounting expert on a contractual basis or the duties of a legal accountant. According to Law 10-01, the external auditor in Algeria is regarded as both the accounting expert and the external auditor. As this latter defined in several articles, stating that the accounting expert and the external auditor are "any natural person who regularly, in their own name and under their responsibilities, performs the task of examining, organizing, analyzing, and evaluating the accounting, in addition to various types of accounts related to institutions and companies governed by laws". They provide accounting expertise on a contractual basis and also handle the recording, opening, control, and consolidation of accounts for entities and institutions with which they have no employment relationship (Ben Yahia & Lamour, 2020, p. 276).

The Professional auditor is the only qualified individuals to verified the accounting and financial auditing process for institutions and entities. They canalso offer input and assistance to government institutions in various fields, such as economics, finance, law, and social matters (Law 10-01, 2010, p. 6).

2-2 Criteria of practicing the profession of accounting expert and external auditor in Algeria

To engage in practitioners of auditor, professionals are required to fulfill the following conditions (Cherouati, 2015, p. 441):

- Algerian citizenship .
- Holding a certificate to practice the profession: an Algerian accounting expertise or a recognized equivalent certificate for both of them.
- Full civil and political rights.
- Not having been convicted of a crime or offense related to the ethics and honor of the profession.
- Upon approval from the minister of finance the project can proceed and registered in the National Register of Accounting Experts or the National Chamber of external auditors.
- Upon Taking the oath as stipulated in Article 6 of Law 10-01.

2-3 Algerian Auditing Standard 700 "Forming an Opinion and Reporting on Financial Statements"

The laws and regulations related to the profession of financial auditing, especially Law 10-01 and the executive decrees issued in 2011 regarding the regulation of the auditing profession in Algeria, along with (AAS)No. "700," specify the format and content of the audit reports issued by the auditor-in-charge and presented to the interested parties. It also includes expressing an opinion on whether the financial statements have been prepared and presented by the recognized standards and principles and are free from material errors or misstatements.

2-4 Format and Content of the External Auditor's Report(Bahlouli, 2013, p. 63):

The auditor's report includes personal information and details about the accounting expert or the auditor-in-charge, such as their name, office address, accreditation number, and registration number in the national register of accounting experts or the national chamber of external auditors. It also mentions the assigned task and the date of conducting the audit for a specific fiscal year.

The introduction begins by indicating the appointment method and the date of the assignment. It provides a brief overview of the audited entity and the closing date of the financial accounts for the fiscal year. Additionally, it should mention the responsibility of the board of directors or management in preparing the financial statements and state their responsibility towards the appointing party in expressing an opinion on those presented financial statements. The introduction should also include the attachments to the report, which consist of the balance sheet, income statement, cash flow statement, and statement of changes in equity.

The external auditor's report also includes the objectives and nature of the assigned task, showcasing that generally accepted professional standards carried out the procedures followed. Through these procedures, the external auditor can express their opinion on the presented financial statements, which can take one of the following forms:

- Unqualified Opinion.
- Qualified Opinion.
- Disclaimer of Opinion.

2-5 Types of Reports by the External Auditor:

Article 25 of Law 10-01, which regulates the profession of external auditing in Algeria, has identified a set of reports that the external auditor must issue, including the following (Babnat, 2022, p. 53):

- Report with a Qualified Opinion, Unqualified Opinion, or Disclaimer of Opinion.
- Report on the Audit of Consolidated Financial Statements or Combined Financial Statements.
- Special Report on the Company's Agreements.
- Special Report on the Details of Five Compensation Packages.
- Special Report on Special Privileges Granted to Users.
- Special Report on the Evolution of Results over the Last Five Years or Results by Share or Social Share.
- Special Report on Internal Control Procedures.
- Special Report in the case of observing a potential threat to the continuity of operations.

2-6 Presentation of Algerian Auditing Standard 700:

The (AAS) No. 700 was issued by the Ministry of Finance in the form of Decision No. 150, dated October 11, 2016, under the title "Forming an Opinion and Reporting on Financial Statements." It was emerged to address the external auditor's responsibility in forming an opinion on financial statements and the form and content of the auditor's report, which may have led to an unmodified opinion.

The main objectives of the external auditor, according to this standard, are as follows (Chaourab & Adjila, 2023, p. 145):

- Shaping an opinion on the financial statements based on evaluating the persuasive evidence obtained.
- precisely expressing this opinion in a written report describing the basis for that opinion.

When giving an additional information not required within the accounting framework applied to the financial statements, the auditor should assess the possibility of distinguishing it clearly from the financial statements. If the auditor cannot make a clear distinction, it is the auditor's responsibility to

request management to change the presentation of the additional information. If management refuses to do so, the auditor should indicate in their report that they have not reviewed this additional information. Additionally, the external auditor's opinion should cover the additional information not required within the applied accounting framework but is an integral part of the financial statements and cannot be clearly distinguished due to its nature and presentation method (Amri & Madi, 2021, p. 480).

3- Empirical study

3-1 The study community

Based on the study topic entitled “ The impact of compliance with Algerian auditing standards on the quality of external auditor’s reports”, The study population primarily consists of all professionals licensed to legally practice external auditing activities in Algeria. This includes both natural and legal persons who hold the title of statutory auditor or certified public accountant and are registered with the professional bodies affiliated with the National Accounting Council. According to the decree numbered 75, dated March 15, 2023, which defines the lists of professionals registered with the three professional bodies, the total number of registered professionals is estimated at 3,293 individuals, whether natural or legal persons, for the 2023 activity year. The following table provides a detailed breakdown of this number.

Table 1: Distribution of Auditing Professionals in Algeria

	ExternalAuditors	Accounting Expert	Total
Natural Persons	2933	333	3266
LegalPersons	17	10	27
Total	2950	343	3293

Source:Prepared by the researcher based on Decree No. 75 issued on March 15, 2023, by the Minister of Finance.

Through Table 1, we observe a difference between practitioners of the statutory accounting expert and external auditor within the Algerian auditing environment. This gap is due to the difficulty of accessing written and oral examinations for the accounting expert competition on one hand, and on the other hand, current regulations governing the profession do not allow statutory external auditors with extensive experience in the field to directly advance to the

certified accounting expert without taking the competition. Additionally, most professionals currently practicing do not want to establish private external auditing firms due to the lack of tax incentives that would attract them to form entities with legal status.

To give an academic dimension to our study, we expanded the study population to include a group of university academics at the national level. This includes university professors from various faculties and institutes specialized from the "Financial and Accounting Sciences" department with a focus on Accounting and Auditing. They teach courses related to international and national auditing standards.

We distributed 750 questionnaires to the sample of auditing professionals and academic professors. However, the response rate was very low, with only 217 completed questionnaires returned, 28 of which were unusable due to missing data from the respondents. In contrast, the electronic questionnaires retrieved were accepted because the program has a feature that prevents moving from one section to another unless all statements in the section are confirmed. The following table summarizes this:

Table 2: Distribution of Questionnaire Forms

Item	Accounting Expert	External auditors	University professor	Total
Number of Questionnaires Distributed	60	640	50	750
Number of Questionnaires Returned	11	170	36	217
Number of Questionnaires Not Returned	49	470	14	533
Number of Questionnaires Not Valid for Study	02	26	00	28
Number of Questionnaires Valid for Study	09	144	36	189

Source: Prepared by the researcher based on the sorting of questionnaire forms.

According to Table 2, the number of questionnaires distributed to the study sample of professionals and academics was 750. Of these, 217 questionnaires

were returned, representing a 29% response rate of the total distributed questionnaires. This low response rate is attributed to the lack of engagement from respondents, due to their busy schedules and the high number of questionnaires they received from researchers, after reviewing the returned questionnaires, 28 forms were excluded, which is 4% of the total distributed, due to errors in the responses and lack of seriousness in addressing them. The number of valid questionnaires for study was 189, representing 25% of the total distributed to the sample.

3-2 The Tool Used in the Applied Study

The researcher relied on the questionnaire tool in the applied study as a method to collect various primary data in a way that ensures information is both qualitatively and quantitatively sound. The researcher employed a survey method to gather information and data from the targeted respondents. A list was prepared, containing a set of questions related to the study variables.

3-3 Reliability Measurement of the Questionnaire

This test is one of the most important to perform before beginning the statistical analysis of the various questionnaire statements and testing the study hypotheses. It is a tool that allows the researcher to verify the validity of the study instrument (the questionnaire) in collecting the necessary data and information from the respondents. If the questionnaire were redistributed multiple times under the same conditions, it would yield the same initial results. The reliability coefficient theoretically ranges between [0-1], and the closer the coefficient is to one, the higher the reliability of the questionnaire. The result of measuring the study variables is considered statistically acceptable if the Cronbach's alpha reliability coefficient is greater than 0.60. The following table shows the results of the reliability test of the study instrument using the Cronbach's Alpha test:

Table 5: Results of the Reliability Coefficient Test for the Study Instrument

Axis	Axis Content	Number of Statements	Cronbach's Alpha Reliability Coefficient
First	Commitment with Algerian Auditing Standards	19	0.872
Second	Quality of Audit Report Preparation	10	0.712
All	All Questionnaire Statements	29	0.892

Source: Prepared by the researcher based on the outputs of the SPSS24 program.

From Table 5, we observe that the Cronbach's Alpha reliability coefficient for all the questionnaire statements is 0.892, which is a high value approaching 1 and is statistically acceptable. This indicates that the questionnaire has a high level of reliability if redistributed under the same conditions and circumstances. The reliability coefficient for each axis ranges between 0.712 and 0.872, which are generally acceptable values for analyzing study results and testing hypotheses.

3-4Presentation of Statistical Analysis Results

3-4-1 Presentation of Statistical Analysis Results for the First Axis Statements

The first axis contains nineteen statements related to the independent variable "Commitment with Algerian Auditing Standards" in order to understand the respondents' opinions on these statements. The results of the respondents' feedback are shown in the following table:

Table 6: Results of Respondents' Feedback on the Statements of the First Axis

	Statements	Mean	Standard Deviation	Direction of Responses
1	Does the audit task document include the objective and scope of the audit in the engagement letter?	4.39	0.579	StronglyAgree
2	Does the engagement letter specify the responsibilities of both the auditor and the management?	4.44	0.630	StronglyAgree
3	Is the refusal of management to allow the external auditor to send a confirmation request considered evidence of significant deviations, including the risk of fraud?	4.14	0.726	Agree
4	In the case of subsequent events with a material impact on the financial statements, is the external auditor required to issue a new report on the revised financial statements?	4.10	0.776	Agree
5	Does skepticism about the credibility of written statements prompt the external auditor to assess the potential impact on the	4.14	0.589	Agree

	opinion in the audit report?			
6	Are there available means for the external auditor to select persuasive items based on the size and nature of the sample to form their opinion?	4.07	0.653	Agree
7	In the initial audit engagement, does the external auditor plan the audit of the financial statements?	4.26	0.647	Strongly Agree
8	Does the external auditor express an unmodified opinion if it is concluded that the financial statements were prepared in accordance with the applicable accounting framework?	4.27	0.681	Strongly Agree
9	Does the external auditor use some statistical techniques when relying on substantive analytical procedures?	4.13	0.563	Agree
10	Does the external auditor seek to verify management's application of the going concern assumption in preparing the financial statements?	4.24	0.639	Strongly Agree
11	Does the external auditor refer to internal audit reports?	4.22	0.639	Strongly Agree
12	Does the external auditor bear full responsibility for the opinion issued, without mitigating it by relying on the work of internal auditors?	4.17	0.794	Agree
13	Does the external auditor consult an expert chosen to perform a special audit that requires expertise in a field other than accounting and auditing?	4.12	0.690	Agree
14	If the external auditor determines that the expert's work is appropriate for audit purposes, can they accept the expert's conclusions as persuasive evidence?	4.16	0.618	Agree
15	Does the external auditor rely on various forms of audit	4.17	0.539	Agree

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	documentation?			
16	Does the external auditor obtain written confirmations that all issues and disputes have been recorded and disclosed in the financial statements according to the applicable accounting standard?	4.16	0.618	Agree
17	Does the external auditor typically use statistical sampling in the audit to select a sample for performing audit procedures?	4.02	0.664	Agree
18	Should the external auditor consider the risk of sample selection, as it impacts their opinion in the audit report?	4.14	0.624	Agree
19	In auditing financial statements, does the external auditor seek to audit accounting estimates, including fair value estimates?	4.03	0.750	Agree
	Total	4.17	0.653	Agree

Source: Prepared by the researcher based on the outputs of the SPSS24 program.

Based on the results obtained in Table No. 6, it can be observed that the general trend of respondents' opinions regarding the statements of the first axis related to the independent variable leans towards agreement. This is reflected in the overall mean of the statements of the first axis, which is 4.17, falling within the range [3.41-4.20] according to the five-point Likert scale, with a standard deviation of 0.6154. This confirms that all responses from the study sample were between "agree" and "strongly agree" regarding the external auditors' application of the content of the provisions stipulated in the Algerian auditing standards, indicating that the sample members are familiar with the content of these standards.

3-4-2 Presentation of Statistical Analysis Results for the Second Axis Statements

The second axis included ten statements related to the dependent variable, "Quality of External Auditor's Reports," to determine the respondents' opinions on these statements. The results of the respondents' answers are shown in the following table:

Table 7: Results of Respondents' Answers on the Second Axis Statements

	Statements	Mean	Standard Deviation	Direction of Responses
1	Does the external auditor disclose in their report all material errors and violations in the audited entity?	4.30	0.633	Strongly Agree
2	Does the quality of the audit lie in providing an appropriate and sound technical opinion on the fairness and accuracy of the financial statements?	4.39	0.570	Strongly Agree
3	Does the quality of external audit reports contribute to increasing the confidence of stakeholders interested in the financial performance of the company?	4.28	0.524	Strongly Agree
4	Do the audit evidence gathered by the external auditor help enhance the level of disclosure in the audit report?	4.21	0.623	Strongly Agree
5	Is the quality of the report preparation reflected in issuing it on time, as specified by the entity?	4.03	0.672	Agree
6	Does the external auditor focus on the form and content of the final report in terms of clarity and ease of understanding for financial statement users?	4.19	0.567	Agree
7	Should the external auditor indicate in their report the ability of the audited entity to continue as a going concern?	4.16	0.644	Agree
8	Does the external auditor avoid any events that could undermine integrity and credibility in expressing their opinion?	4.16	0.592	Agree
9	Does the external auditor's report help reduce the expectation gap for report users?	4.19	0.542	Agree
10	After completing the audit report, does the external auditor discuss it with the board of directors, shareholders, and employees?	4.28	0.692	Strongly Agree
	Total	4.21	0.320	Strongly Agree

Source: Prepared by the researcher based on the outputs of the SPSS24 program.

Based on the results obtained in Table No. 7, it can be observed that the general trend of the statements related to the second axis was rated as "Strongly Agree" by the respondents. This is reflected in the overall mean score for the second axis, which reached 4.21, with a standard deviation of 0.320. This indicates that the majority of the studied sample's opinions are largely homogeneous concerning the content of the statements, with very low dispersion

in the responses. Moreover, all the respondents' answers confirm that the external auditor is keen to ensure the quality of their report.

3-5 Testing the study hypothesis

In order to test the existence of a statistically significant impact relationship between each the commitment to the (AAS) and the quality of preparing the audit report, we test the validity of the study hypothesis, which reads as follows” Commitment to the Algerian auditing standards effects the quality of preparing the audit report”, by relying on the simple linear regression test, the following tables show the results reached to test the study hypothesis:

- Null Hypothesis (H0): There is no effect of adherence to (AAS) on the quality of audit report preparation.
- Alternative Hypothesis (H1): There is an effect of adherence to (AAS) on the quality of audit report preparation.

Before testing this hypothesis, it is important to examine the correlation coefficient between the independent variable (X) “Commitment with Algerian Auditing Standards “ and the dependent variable (Y) “Quality of External Auditor's Reports “. The results of this correlation analysis are shown in the following table:

Table 8: Correlation Coefficient between Hypothesis Variables

Model	Correlation Coefficient R	Coefficient of Determination R^2	Adjusted Coefficient of Determination R^2	Standard Error of Estimate
Value	0.393	0.155	0.150	0.29584

Source: Prepared by the researcher based on the outputs of the SPSS24 program.

Based on Table 8, we observe a weak positive correlation between the independent variable and the dependent variable, with a value of ($R = 0.393$). The coefficient of determination is ($R^2 = 0.155$), indicating that approximately 15.50% of the variance in the dependent variable "Quality of External Auditor's Reports" is explained by the independent variable "Adherence to Algerian Auditing Standards" to a lesser extent. The remaining 84.50% is attributed to other factors and variables not included in the proposed study model. The primary reason for the low coefficient of determination (R^2) is the absence of specific sub-standards within the (AAS) related to Standard 700, which deals with the content and presentation of the final audit report.

To verify the validity of the model for testing the study hypothesis, a one-way ANOVA test was conducted. The results are detailed in the following table :

Table 9: Results of One-Way ANOVA Test for the Main Hypothesis

Model	Sum of Squares	Degrees of Freedom (ddl)	Mean Square	F Value	SignificanceLevel (Sig)
Regression	2.992	1	2.992	34.183	0.000
Residual	16.367	187	0.088		
Total	19.359	188			

Source: Prepared by the researcher based on the outputs of the SPSS24 program.

Based on Table 9, we observe that the significance level (Sig = 0.000) is less than the significance level ($\alpha \leq 0.05$), which indicates that the model is statistically valid for testing the study hypothesis.

The following table shows the partial coefficients to illustrate the partial significance of the simple linear regression model for the study hypothesis:

Table 10: Coefficient Values for the Simple Linear Regression Model of the Study Hypothesis

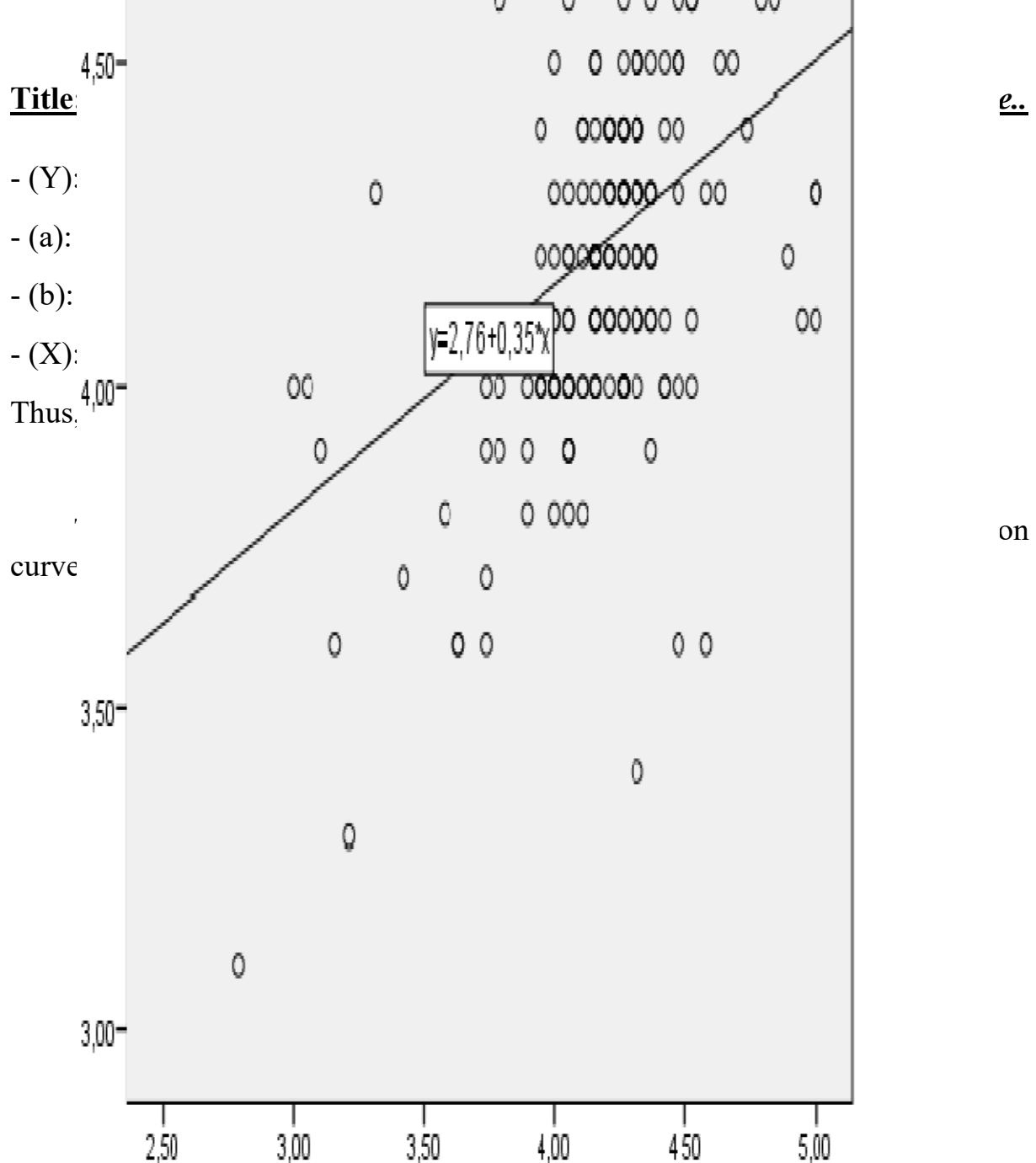
Model	Coefficient B	Standard Error	Coefficient β	T Value	SignificanceLevel (Sig)
Constant « b »	2.760	0.250		11.032	0.000
Independent Variable « a »	0.349	0.060	0.393	5.847	0.000

Source: Prepared by the researcher based on the outputs of the SPSS24 program.

From Table 10, the linear regression equation is derived as follows:

$$Y = aX + b$$

where:



Source: Prepared by the researcher based on the outputs of the SPSS24 program.

Based on Table 10 and Figure 1, we note that the value ($b = 2.76$) is the constant in the equation, which indicates the value of the dependent variable when the independent variable is zero. The value ($a = 0.35$) represents the slope of the regression for the independent variable, meaning that any increase of one unit in "Adherence to Algerian Auditing Standards" results in an increase of 0.35 units in the dependent variable "Quality of External Auditor's Reports".

The significance of the effect is confirmed by the calculated (F) value of 34.183 with a significance level of 0.000, which is less than the significance level used in the study ($\alpha \leq 0.05$). Additionally, the (T) value of 5.847 also has a

significance level of 0.000, which is below the significance level threshold of ($\alpha \leq 0.05$).

Based on these results, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1), which states, "There is an effect of adherence to Algerian auditing standards on the quality of audit report preparation." This effect is statistically significant at the significance level used in the study ($\alpha \leq 0.05$).

4- Conclusion

After the global economic transformations and developments, especially in the field of finance and accounting, and in light of the financial crises that emerged as a result of manipulations in financial statements, leading to the collapse of many major global companies like Enron, due to the submission of fraudulent audit reports containing misleading and inaccurate information about the true financial position of the company by the renowned auditing firm Arthur Andersen, the role and responsibility of the auditor in preparing credible audit reports have become apparent. Algeria has made great efforts to establish legal bodies and organizations to regulate and develop the profession of external auditing. This effort resulted in the establishment of the National Council of Accounting, under the supervision of the Ministry of Finance, to regulate the accounting and auditing profession in Algeria. This council is divided into entities and organizations, each according to specialization. The National Registry of Accounting Experts aims to regulate the profession of accounting expert, while the National Chamber of External Auditors seeks to regulate the profession of external auditor or what is known as a statutory auditor.

The main tasks of the external auditor include expressing a professional opinion on the credibility and accuracy of the financial statements presented to them by preparing a final report that contains their opinion, which can be either unqualified, qualified, or a disclaimer of opinion. The supervisory bodies overseeing the accounting auditing profession in Algeria have focused on the content and format of the audit report through the issuance of legislative texts and ministerial decisions. One such decision was issued in 2013, specifying the types of opinions to be provided by the auditor and the report's content kinds. Additionally, the adoption of international auditing standards led to the issuance of (AAS) in 2016, among which the first standard was related to the auditor's report titled "Forming an Opinion and Reporting on Financial Statements." This standard has become a tool to safeguard the interests of both internal and external parties of companies, as it provides reliable information to all parties in order to protect their interests or make appropriate decisions.

We provide some recommendations that could increase the importance of research in this subject as follows:

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- The necessity of adopting the sub-standards of International Standard on Auditing (ISA) 700, as they are important in explaining this standard.
- Keeping up with developments and updates in the international standard for reporting to incorporate them in the Algerian auditing standards in the future.
- Activating the role of audit committees in monitoring the awareness of the audit report issued by various auditing firms in Algeria.
- Reformulating the content of the Algerian auditing standard with more academic and professional terminology, including financial and operational indicators, and covering various types of required reports.

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