

The Quality of Financial Statements under Accounting Governance A Field Study of a Group of Algerian Economic Institutions

ADDA BEN ATTIA Mohamed Cherif¹, TAHAH Fadila²

¹ University of Abu Bakr Belkaid, Tlemcen (Algeria),
Mohamedcherifaddabenattia81@gmail.com

² University of Djelfa (Algeria), Research Laboratory: Quantitative Methods in
Economics and Business Administration: Applications for Sustainable
Development Ziane Achour
f.tahah@univ-djelfa.dz

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Abstract:

The purpose of this study is to determine the level of financial statement quality under accounting governance among Algerian economic businesses. To accomplish this goal, a questionnaire was created as the research measurement tool, consisting of 32 statements separated into two primary categories. It was distributed to a sample of the study population, which included accountants, internal auditors, board members, accounting and finance department employees, certified public accountants, and statutory auditors from several Algerian economic enterprises located in the country's eastern provinces .

The descriptive-analytic approach was used to test the study hypotheses. Accounting governance has a statistically significant effect ($\alpha \leq 0.05$) on the quality of financial statements for Algerian economic companies using the Financial Accounting System.

Keywords: Financial statement quality, economic enterprises, accounting governance.

JEL Classification Codes : M34 ; M41 ; M42

Corresponding Author: Mohamed Cherif Adda Ben Attia

Email: Mohamedcherifaddabenattia81@gmail.com

1. INTRODUCTION

The quality of financial statements is considered one of the main issues attracting growing interest from economic enterprises, considering its importance for providing reliable financial information to help stakeholders make appropriate decisions. However, weak accounting practices and a lack of proper oversight may result in a decrease in financial statement quality, which may adversely affect the credibility of financial information.

Within this scope, a new concept of accounting governance emerged as a modern approach to increase transparency and credibility in financial statements, as well as to restrict any improper practice. This is realized by a set of principles and rules governing accounting practices to protect all relevant stakeholders' interests.

Algeria is increasingly interested in applying accounting governance, particularly after adopting the Financial Accounting System (FAS), based on International Accounting Standards, to improve financial statement quality and comply with market economy requirements. Thus, this study is conducted to examine the level of financial statement quality under accounting governance application by economic enterprises in Algeria, as well as its impacts on financial statement quality.

1.1 Research Problem:

In view of the above, the following research question can be formulated:

Is there a statistically significant effect at a certain level of significance ($\alpha \leq 0.05$) of accounting governance on the quality of financial statements within the framework of the Financial Accounting System applied by economic enterprises in Algeria included in the study sample?

1.2 Research Hypotheses:

In order to solve the research problem, the following hypothesis was formulated:

"There is a statistically significant effect at the significance level ($\alpha \leq 0.05$) of accounting governance on the quality of financial statements under the Financial Accounting System applied by Algerian economic enterprises."

1.3 Research Objectives:

The objectives of this study could be presented as follows:

- To highlight the concept of accounting governance.
- To determine the impact of accounting governance on the quality of financial statements of the selected Algerian economic enterprises.

1.4 Significance of the Study:

The importance of this study lies in the emphasis placed on the clarification and application of the concept of accounting governance, which would subsequently highlight its impact on the quality of financial statements at the level of economic enterprises in Algeria.

1.5 Research Methodology and Tools:

In terms of addressing the research problem, the descriptive-analytical method was used as the theoretical framework. In terms of the applied part, the questionnaire was utilized, developed in accordance with the requirements of the methodological procedure. It included a set of questions, divided into two parts, where the first part focused on the personal data, while the second part focused on the study dimensions and variables.

1.6 Previous Studies:

Study (01):) Mansouria, Z & ,Boudounat, A(2018 ‘ Mansouria Zaafrane, Asma Boudounat, Financial Statement Quality under the Financial Accounting System: A Case Study of the Livestock Feed Unit of Mostaganem Province, Journal of Business and Trade Economics, University of M’sila, Vol. 03, No. 02, September 2018.

The study was conducted with the objective of identifying the role played by International Accounting Standards (IAS/IFRS) and the Financial Accounting System (SCF) in the improvement of the quality of financial statements through the nature of the accounting and financial information they provide.

The field study reached a conclusion that transparency in the financial statement and disclosure are essential for all stakeholders to benefit from. It highlighted the significance of stimulating enterprises to disclose their financial statements without monopolizing the information, regardless of its

nature, as this would improve their quality. It recommended strengthening quality control for the financial statement from official bodies, investing in research studies, contributing to the academic and practical training of professionals to ensure that their practice complies with international standards, and holding seminars to explain the methods of preparing and presenting the financial statements and their quality.

- **Study (02):**) Bonetti, P., Magnan, M & ,.Parbonetti, A(2013 ،

In the study, the authors attempted to investigate the interaction between corporate governance at the firm level and country level with respect to financial reporting quality. The study adopted the mandatory adoption of IFRS standards as a tool of variation of discretionary power of the firms. The study considered a large number of European countries.

According to the study, the findings were that in countries where there is low enforcement and low oversight of financial reporting, better corporate governance mechanisms at the board level of the firm result in better financial reporting quality. In countries where there is high enforcement and strict oversight of financial reporting, both firms with very good corporate governance mechanisms at the board level of the firm and firms with very low corporate governance mechanisms at the board level of the firm experience better financial reporting quality. The study concluded that the overall effect of corporate governance on financial reporting quality should be re-evaluated with the interaction of both firm-level governance mechanisms and country-level governance mechanisms.

2. Theoretical Framework

2.1 The Concept of Accounting Governance:

Governance, from an accounting point of view, entails the provision of a system that safeguards investors' capital, helps them earn their due, and guards against the misuse of their capital for investments that may not be safe or for exploiting them for their own benefit. This can be accomplished through a system of procedures, controls, and accounting standards that highlight the achievement of transparency, increasing disclosure of accounting information and financial statements, disclosure of managers' benefits, and the adoption of internationally recognized accounting standards) .Kafi, M. Y(113-112 الصفحات ،2018 ،)

2.2 The Concept of Financial Statement Quality:

Financial statement quality, therefore, is the quality of the information provided by the financial statements that make them credible. This is done by ensuring that the financial statements provided do not contain any information that is false or

misleading. It is prepared based on a number of legal, regulatory, professional, and technical factors) Ghazali(6 صفحة 2019 ،

3. Field Study

3.1 Population and Sample:

The study population includes accountants, internal auditors, board members, and employees of accounting and finance departments of various economic enterprises in Algeria, including certified public accountants and statutory auditors.

Out of a total of 70 questionnaires sent, a total of 64 questionnaires were returned, and three questionnaires had to be discarded because of incomplete answers, making a total of 61 questionnaires for this study.

3.2 Study Limitations:

The study population was accountants, internal auditors, board members, and accounting and finance department employees in certain economic enterprises in eastern Algeria. The study was also carried out on certified public accountants and statutory auditors. The study duration was from January 5, 2025, to February 5, 2025.

3.3 Study Tools:

For the analysis of the results obtained from the 61 accepted questionnaires, the statistical package SPSS, version 25, was used.

Using this package, the calculation of the arithmetic mean, in order to find the general tendency of the opinions, and the standard deviation, in order to find the dispersion of the values, was facilitated.

3.4 Field Research Procedures :

Results related to the characteristics of the study sample:

Table 1. Table title (this is an example of table 1)

variables	Statement	frequency	percentages
Gender	Male	45	73.8
	Female	16	26.2
Age	Under 30 years old	19	31.1
	30 to 45 years old	25	41
	Over 45 years old	17	27.9
Academic qualification	Doctorate	02	03.3
	Master degree	01	01.7
		25	41
	Bachelor degree	16	26.2
	Professional accounting certificate	13	21.3
	Others	04	6.6
Professional qualification	Accountant	11	18
	Internal auditor	08	13.2
	Board member	09	14.8
	Accounting expert	06	9.8
	accountant	07	11.5
	Position in accounting or finance	20	32.7
Professional experience	Less than 5 years	13	21.3
	5 to 10 years	31	50.8
	More than 10 years	17	27.9

Source: Study of a Group of Algerian Economic Enterprises SPSS(Version 25).

The above table shows the frequencies and percentages, which represent the personal data information included in the study questionnaire, as obtained from the study sample.

In order to measure the reliability of the study, Cronbach's Alpha coefficient will be used, as it is believed that this is the most appropriate measure of internal consistency reliability.

In the study, Cronbach's Alpha coefficient will be used for the study instrument as a whole, as well as for its main dimensions and components, as shown in the following table:

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Table 2. Reliability Coefficients of the Study Dimensions Using Cronbach's Alpha

Axes	Number of paragraphs	Stability coefficient
First axis	22	0.968
Second axis	10	0.953
General trend (questionnaire as a whole)	61	0.978

Source: Prepared by the researchers based on SPSS (Version 25).

Based on Table (2), it can be stated that the reliability coefficient for the first dimension in the study sample was (0.968), which can be considered an excellent level. Moreover, the reliability coefficient for the second dimension was (0.953), which can be considered an excellent level as well.

As for the reliability coefficient for the study instrument as a whole, it can be stated that the above coefficient was (0.978), which can be considered an excellent level as well. This indicates that we can be highly confident (97.8%) that the same results would be obtained if the study instrument was re-administered to the same sample.

Results Related to the Selected Sample's Responses to the Questionnaire Statements .Diagnosis and Description of the Level of Perception of the Study Variables:

The results obtained from the field study will be presented as regards each dimension, where there will be a diagnosis and description of the level of perception of the study variables in Algerian economic enterprises.

First: Presentation of Results Related to the First Dimension — Financial Statement Quality

This dimension was divided into two main sub-dimensions:

- Financial statement quality in applying the Financial Accounting System.
- The level at which the Financial Accounting System can ensure the quality of accounting information to activate accounting governance.

In order to know the level of each of these dimensions, arithmetic means and standard deviations must be computed. The results can then be presented in a table as follows:

a. Financial Statement Quality under the Application of the Financial Accounting System:

The sub-dimension of this dimension comprises twelve items, which are presented in the questionnaire in the order indicated below (01–12). For analysis purposes, arithmetic means and standard deviations will be computed to determine the level of agreement among respondents on each of the items. The table below shows the results:

Table 3. Arithmetic Means and Standard Deviations of the Items of the Sub-dimension “Financial Statement Quality under the Application of the Financial Accounting System”

Number	Paragraph content	Standard deviation	Arithmetic mean	Ranking	General trend
01	Financial statements are objective, free from estimates, fair and free from personal judgement	4.17	0.686	11	agree
02	Accounting errors and how they were corrected are disclosed.	3.97	0.793	12	agree
03	Financial statements can be compared with previous years.	4.46	0.536	1	Strongly agree
04	The income statement (profit and loss account) is disclosed.	4.29	0.744	7	Strongly agree
05	The cash flow statement is disclosed.	4.43	0.596	3	Strongly agree
06	The statement of financial position (balance sheet) is disclosed.	4.24	0.810	10	Strongly agree

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07	The statement of changes in equity (statement of changes in private funds) is disclosed.	4.38	0.634	4	Strongly agree
08	The notes to the financial statements are disclosed. International reporting standards are relied upon in the preparation of financial statements.	4.31	0.737	6	Strongly agree
09	International reporting standards are used in preparing financial statements.	4.28	0.835	8	Strongly agree
10	Institutions are keen to apply a financial accounting system that contributes to improving the quality of financial statements	4.37	0.736	5	Strongly agree
11	Accounting policies and methods used in preparing financial statements are disclosed.	4.45	0.612	2	Strongly agree
12	Financial statements enable comparisons between one company and others.	4.26	0.837	9	Strongly agree
General level		4.30	0.12	//	High

Source: Prepared by the researchers based on SPSS (Version 25).

As indicated in Table (3), the mean score for the first sub-dimension reached was (4.30), with a standard deviation of (0.12).

This finding can be considered a significant indicator that the respondents are highly aware of the importance of the first sub-dimension. Based on the results obtained for the items presented in Table (3), the items included in the first sub-dimension can be ranked in descending order from the highest to the lowest level of agreement, according to the arithmetic mean and standard deviation for the respondents' answers, as follows:

- Item (03), which states: "Financial statements are comparable with previous years," ranked first in terms of the degree of agreement among the study sample, with a weighted mean of (4.47) and a standard deviation of (0.52).
- Item (11), which states: "Accounting policies and methods adopted in preparing the financial statements are disclosed," ranked second, with a weighted mean of (4.45) and a standard deviation of (0.60).
- Item (05), which states: "The statement of cash flows is disclosed," ranked third, with a weighted mean of (4.43) and a standard deviation of (0.58).
- Item (07), which states: "The statement of changes in equity (schedule of changes in shareholders' equity) is disclosed," ranked fourth, with a weighted mean of (4.38) and a standard deviation of (0.62).
- Item (10), which states: "Enterprises are keen to apply a financial accounting system that contributes to improving financial statement quality," ranked fifth, with a weighted mean of (4.37) and a standard deviation of (0.72).
- Item (08), which states: "The notes accompanying the financial statements are disclosed," ranked sixth, with a weighted mean of (4.31) and a standard deviation of (0.72).
- Item (04), which states: "The income statement (statement of profit or loss) is disclosed," ranked seventh, with a weighted mean of (4.29) and a standard deviation of (0.73).
- Item (09), which states: "International reporting standards are relied upon in preparing the financial statements," ranked eighth, with a weighted mean of (4.28) and a standard deviation of (0.82).

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- Item (12), which states: “Financial statements enable comparisons between the company and other companies,” ranked ninth, with a weighted mean of (4.26) and a standard deviation of (0.82).
- Item (06), which states: “The statement of financial position (balance sheet) is disclosed,” ranked tenth, with a weighted mean of (4.24) and a standard deviation of (0.80).
- **Item (01)**, which states: “Financial statements are characterized as objective, fair, and free from personal estimates and judgments,” ranked eleventh, with a weighted mean of (4.17) and a standard deviation of (0.67), reflecting agreement among respondents.
- **Item (02)**, which states: “Accounting errors that occurred and the methods of their correction are disclosed,” ranked twelfth, with a weighted mean of (3.97) and a standard deviation of (0.78), indicating agreement, albeit at a comparatively lower level than the other items.

b. The Extent to Which the Financial Accounting System Ensures the Quality of Accounting Information to Activate Accounting Governance:

This sub-dimension includes ten items, the distribution of which in the questionnaire is as follows (01-10). In order to study the items in this sub-dimension, the arithmetic means and standard deviations will be computed in order to measure the level of agreement between the people in relation to each item. The following table shows the results:

Table4. Arithmetic Means and Standard Deviations of the Items of the Sub-dimension “The Extent to Which the Financial Accounting System Ensures the Quality of Accounting Information to Activate Accounting Governance”

Number	Paragraph content	Standard deviation	Arithmetic mean	Ranking	General trend
01	The financial accounting system improves the quality of accounting information.	4.39	0.787	2	Strongly agree
02	The financial accounting system can contribute to the	4.33	0.799	4	Strongly agree

	development of accounting information systems and enhance their importance.				
03	The quality of accounting information contributes to the implementation of accounting governance.	4.25	0.693	6	Strongly agree
04	The financial accounting system can provide detailed and accurate financial information that reflects a true picture of the institution's financial position.	4.36	0.709	3	Strongly agree
05	The credibility of accounting information is reflected in the financial statements and the benefits they provide to their users.	4.23	0.712	7	Strongly agree
06	Through governance, the company works to achieve consistency in accounting information, which helps in analysing financial statements, comparing them, and making the necessary decisions.	4.08	0.777	9	Agree
07	The company works to provide appropriate and timely accounting information in its	4.32	0.620	5	Strongly agree

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	financial statements through accounting governance.				
08	The requirements of accounting governance rules are commensurate with the amount of accounting information in companies.	3.63	1.046	10	Agree
09	Raising awareness of the importance of accounting governance and benefiting from international experiences in this field.	4.14	0.871	8	Agree
10	The proper training of accountants contributes to improving the quality of financial statements in accordance with the financial accounting system.	4.47	0.657	1	Strongly agree
General level		4.22	0.22	//	High

Source: Prepared by the researchers based on SPSS (Version 25).

As indicated in Table (4), the mean value for the second sub-dimension reached was (4.22), with a standard deviation equal to (0.23). According to the study scale, this means a high level of acceptance corresponding to “strongly agree.”

This is considered a vital indicator for the full awareness of the importance of the second sub-dimension.

Based on the results presented in Table (4), the items included in the second sub-dimension can be ranked in descending order from the strongest to the weakest level of agreement according to the arithmetic means and standard deviations for the study sample’s responses as follows:

- **Item (10)**, which states: “Proper training of accountants contributes to improving the quality of financial statements in accordance with the Financial Accounting System,” ranked first, with a weighted mean of (4.46) and a standard deviation of (0.64). This indicates strong agreement that adequate professional training enhances financial statement quality in line with the Financial Accounting System.
- **Item (01)**, which states: “The Financial Accounting System enhances the quality of accounting information,” ranked second, with a weighted mean of (4.39) and a standard deviation of (0.77), reflecting agreement among respondents.
- **Item (04)**, which states: “The Financial Accounting System allows the provision of detailed and accurate financial information that presents a true and fair view of the enterprise’s financial position,” ranked third, with a weighted mean of (4.36) and a standard deviation of (0.70), indicating strong agreement.
- **Item (02)**, which states: “The Financial Accounting System contributes to the development of accounting information systems and enhances their importance,” ranked fourth, with a weighted mean of (4.33) and a standard deviation of (0.79), reflecting agreement.
- **Item (07)**, which states: “Through accounting governance, the company ensures the provision of relevant and timely accounting information in its financial statements,” ranked fifth, with a weighted mean of (4.32) and a standard deviation of (0.61), indicating strong agreement.
- **Item (03)**, which states: “The quality of accounting information contributes to the implementation of accounting governance,” ranked sixth, with a weighted mean of (4.25) and a standard deviation of (0.68), reflecting agreement.
- **Item (05)**, which states: “The credibility of accounting information is reflected in the financial statements and in the benefits they provide to their users,” ranked seventh, with a weighted mean of (4.23) and a standard deviation of (0.70), indicating agreement.
- **Item (09)**, which states: “Raising awareness of the importance of accounting governance and benefiting from international experiences in

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this field,” ranked eighth, with a weighted mean of (4.14) and a standard deviation of (0.86), reflecting agreement.

- **Item (06)**, which states: “Through governance, the company seeks to achieve the consistency of accounting information, thereby facilitating financial statement analysis, comparability, and decision-making,” ranked ninth, with a weighted mean of (4.08) and a standard deviation of (0.70), indicating agreement.
- **Item (08)**, which states: “The requirements of accounting governance rules are commensurate with the volume of accounting information in companies,” ranked tenth, with a weighted mean of (3.63) and a standard deviation of (1.03), indicating agreement, though at a comparatively lower level than the other items.

Second: Presentation of Results Related to the Second Main Dimension — Accounting Governance

The second dimension comprises the questions distributed in the questionnaire in the following order (01–10). Arithmetic means and standard deviations will be used to analyze the degree of agreement between respondents on each question.

Table 5. Arithmetic Means and Standard Deviations of the Items of the Second Main Dimension (Accounting Governance)

Number	Paragraph content	Standard deviation	Arithmetic mean	Ranking	General trend
01	The term accounting governance is related to both international accounting standards and financial reporting standards.	4.30	0.615	4	agree
02	Accounting governance can protect investors' funds and enable them to obtain appropriate returns.	4.21	0.564	6	Strongly agree
03	Accounting governance is an effective tool for	4.41	0.730	1	Strongly agree

	combating administrative and financial corruption.				
04	Audit committees work to reinforce the independence of the internal auditor and the impartiality of the external auditor.	4.15	0.799	8	agree
05	The audit and supervision process is carried out by qualified individuals.	4.27	0.749	5	Strongly agree
06	Internal auditing greatly supports accounting governance.	4.35	0.582	3	Strongly agree
07	Adequate understanding and awareness of the concept of accounting governance on the part of managers and company executives.	3.97	0.837	10	agree
08	The company's commitment to conducting an annual audit by an independent and competent external auditor.	4.41	0.563	2	Strongly agree
09	The members of the audit committee have knowledge and expertise in all matters relating to accounting.	4.17	0.881	7	agree
10	Scheduling meetings between the audit committee, management, and internal and external auditors.	4.09	0.847	9	agree
	General level	4.23	0.13	/	High

Source: Prepared by the researchers based on SPSS (Version 25).
dimension reached (4.23), with a standard deviation equal to (0.13).

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This value according to the study scale means a high level of acceptance, which is equivalent to “strongly agree.”

This is considered a vital indicator for the high degree of awareness for the importance of the second main dimension.

Based on the results shown in table (5), it is possible to rank the elements included in the second main dimension from the strongest to the weakest level of agreement according to the arithmetic means and standard deviations for the study sample’s responses as follows:

- **Item (03):** “Accounting governance is an effective tool for combating administrative and financial corruption,” ranked first, with a weighted mean of (4.41) and a standard deviation of (0.72). Respondents strongly agree that accounting governance effectively addresses administrative and financial corruption.
- **Item (08):** “The company is committed to conducting an annual audit by an independent and competent external auditor,” ranked second, with a weighted mean of (4.41) and a standard deviation of (0.55), indicating agreement.
- **Item (06):** “Internal auditing strongly supports accounting governance,” ranked third, with a weighted mean of (4.35) and a standard deviation of (0.57), reflecting strong agreement.
- **Item (01):** “The term accounting governance is linked to both international accounting standards and financial reporting standards,” ranked fourth, with a weighted mean of (4.30) and a standard deviation of (0.60), showing agreement.
- **Item (05):** “Auditing and supervision are conducted by qualified personnel,” ranked fifth, with a weighted mean of (4.27) and a standard deviation of (0.74), indicating strong agreement.
- **Item (02):** “Accounting governance protects investors’ funds and ensures they receive appropriate returns,” ranked sixth, with a weighted mean of (4.21) and a standard deviation of (0.55), reflecting agreement.
- **Item (09):** “Members of the audit committee possess the knowledge and expertise related to accounting matters,” ranked seventh, with a weighted mean of (4.17) and a standard deviation of (0.87), showing agreement.

- **Item (04):** “Audit committees strengthen the independence of internal auditors and the impartiality of external auditors,” ranked eighth, with a weighted mean of (4.15) and a standard deviation of (0.79), indicating agreement.
- **Item (10):** “Meetings are scheduled involving the audit committee, management, and internal and external auditors,” ranked ninth, with a weighted mean of (4.09) and a standard deviation of (0.83), reflecting agreement.
- **Item (07):** “Managers and company staff possess sufficient understanding and awareness of the concept of accounting governance,” ranked tenth, with a weighted mean of (3.97) and a standard deviation of (0.82), indicating agreement, though at a slightly lower level.

Fourth: The Impact of Accounting Governance on Financial Statement Quality

Hypothesis: The corporate accounting governance framework has a statistically significant influence ($\alpha \leq 0.05$) on the financial statement quality of Algerian economic companies.

Table 7. Results of Regression Analysis (ANOVA) to Verify the Validity of the Model for Testing the Hypothesis

Standardized Coefficients			Unstandardized Coefficients		Independent variable
Significance level Sig	Calculated t-value	Correlation coefficient (R(	Standard error	B	
0.243	1.169		4.77	5.58	Accounting governance
0.000	20.92	0.894	0.10	2.33	
Dependent variable: Quality of financial statements under the financial accounting system			The tabulated value of (T) at the significance level ($\alpha = 0.05$)		
			(*) Statistically significant at the significance level ($\alpha = 0.05$)		

Source: Prepared by the researchers based on SPSS (Version 25).

The above table includes the Unstandardized Coefficients, which include the constant value and regression coefficient (unstandardized regression coefficients), as well as the standard error for each coefficient

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(Std. Error). It also includes the Standardized Coefficients, which include the beta (β) values, the calculated t-values for the model coefficients, as well as the Sig (P-Value), which is used to determine the overall significance of the model.

The regression equation can be summarized as follows:

The above table indicates that there is a statistically significant effect between accounting governance and the quality of financial statements under the Financial Accounting System for economic enterprises in Algeria. This is due to the significance value (0.000), which is less than the imposed level ($\alpha = 0.05$). Moreover, the correlation coefficient (R) was (0.894), indicating a high positive relationship between the two variables.

Based on the above, the null hypothesis can be rejected, while the alternative hypothesis can be accepted, which states:

“There is a statistically significant effect at the significance level ($\alpha \leq 0.05$) of accounting governance on the quality of financial statements under the Financial Accounting System in Algerian economic enterprises.”

5. Conclusion

To answer the research problem and test the hypothesis, the theoretical part of our study on "The Extent of Financial Statement Quality under Accounting Governance — A Field Study of a Group of Algerian Economic Enterprises" addressed the concept of accounting governance and its relationship with financial statement quality, as well as a review of previous studies. The practical component includes a field research with a questionnaire issued to accountants, internal auditors, board members, and accounting and finance staff in chosen Algerian economic firms in the eastern regions, as well as accounting specialists and account custodians. Following data collection and analysis with SPSS (V.25), the study came to the following conclusions:

5.1. Study Results:

The study yielded the following results:

- The majority of respondents agreed that the selected Algerian economic companies provide high-quality financial statements using the Financial Accounting System.

- Enterprises in the research submit accounting information required for Financial Accounting System compliance.
- Accounting governance has a statistically significant effect ($\alpha < 0.05$) on financial statement quality in Algerian economic companies using the Financial Accounting System.

5.2. Recommendations:

Based on the above findings, the researchers recommend:

- Creating a comprehensive framework for accounting-based corporate governance, including financial statements.
- Clarifying accounting governance concepts through legislation and regulations.
- Prioritizing continual professional development for accounting practitioners and people in related sectors.
- Encouraging accounting researchers and specialists to prioritize financial statement quality and governance.

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