

The Compliance of the auditors in Algeria with auditing professional performance standards

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Abstract:

This study seeks to the impact of compliance with professional performance standards during the audit process by auditors in Algeria.

The research was divided into two theoretical and applied sections, the applied aspect was represented in the case study of Algeria by sending a questionnaire to a sample of professionals and academics and analyzing the answers through the SPSS program. Through the study, we can say that the majority of respondents believe that the application of professional performance standards in Algeria during the performance of the audit task has a great role in facilitating and improving their work.

Keywords: accounting auditors, audit, standards, international auditing Standards professional performance.

JEL Classification Codes: A1, B1, F1

المخلص:

تهدف هذه الدراسة إلى تبين أثر الإمتثال لمعايير الأداء المهني أثناء عملية التدقيق من قبل المدققين في الجزائر.

تم تقسيم البحث إلى قسمين نظري وتطبيقي، أما الجانب التطبيقي تمثل في دراسة حالة الجزائر عن طريق

إرسال استبيان إلى عينة من المهنيين والأكاديميين وتحليل الإجابات من خلال برنامج SPSS.

من خلال الدراسة نستطيع قول أن غالبية المستجوبين يعتقدون أن تطبيق معايير الأداء المهني في الجزائر

أثناء أداء مهمة التدقيق له دور كبير في تسهيل وتحسين عملهم.

كلمات مفتاحية: مدققي الحسابات، التدقيق، المعايير، معايير التدقيق الدولية، الأداء المهني.

تصنيفات JEL: A1, B1, F1

1. Introduction

Auditing standards are the fundamental principles that govern the audit process, helping auditors assess their work to ensure proper procedures are followed at every stage, from planning to report preparation. These standards are essential to the auditing profession's primary goal: to boost trust in financial statements. They are vital for users of financial reports, as they show how the audit was conducted and the professional duties involved. Additionally, there is a need for new international standards to assist countries that have not yet implemented professional performance guidelines or that struggle to apply the existing standards, which may no longer meet the needs of a market-driven economy.

2. Account auditors

This section will cover the definition of an auditor, the tasks carried out by auditors, and the international auditing standards.

2.1 definition of the auditor

First definition: An auditor is an individual who holds a valid certificate permitting them to practice the profession or is a member of an accredited office or institution qualified to act as a Chartered Accountant. They are fully responsible for completing the assigned tasks and signing the audit report. The auditor also has the authority to delegate specific audit duties to others.

Second definition: According to Article 22 of Law 10-01, the Algerian legislature defines an auditor as "any individual who, in their own name and under their own responsibility, is tasked with certifying the accuracy of the accounts of companies and organizations, ensuring their compliance with applicable laws and regulations.

(عجيلة محمد مروى موسى، صفحة 218)

2.2 tasks performed by the auditor

The content of the text of Article 23 of law 10-01 stated the following :

- The auditor certifies that the annual financial statements are accurate and reliable. They also confirm that the accounts are fully aligned with the results of the previous year's activities, as well as the financial position and assets of the companies and entities.
- Additionally, the auditor verifies the accuracy and compliance of the annual accounts with the information presented in the management report provided by the company's managers to shareholders, partners, or other stakeholders.

3. International auditing standards

3.1 definition of international auditing standards

We can show some definitions that highlight the review criteria in the following points :

International auditing standards represent internationally recognized professional practices that can be referenced when local standards are inadequate. Ahmed Noor described criteria as the framework or model used to evaluate the quality of an auditor's work.

The International Federation of Accountants defined auditing standards as a broad term encompassing the standards applied in auditing financial statements, as well as those used in providing related services and reporting on the reliability of statement.

(غراب يوسف، صفحة 03)

3.2 characteristics of auditing standards

Standards are characterized by a number of characteristics, the most important of which are:

- The standard is not meant to be a desired or ultimate goal to reach.
- It does not aim to establish a fundamental rule of practice to guide individuals in performing their professional duties.
- The standard should align with the existing practices in the area where it is applied.
- It is not a pattern shaped by custom, public acceptance, or the decisions of professional, scientific, or legislative bodies.
- Professional organizations, practitioners, and government agencies must comply with the standard.
- Standards represent the maximum acceptable level of professional performance, acting as the first line of defense against business liabilities and negligence during audit tasks.

3.3 objectives of the auditing standards

International standards seek to achieve the following objectives:

- Address the potential challenges involved in preparing and reviewing the Consolidated Financial Statements of multinational corporations.
- Ensure the accuracy and credibility of financial statements issued by global companies, enabling meaningful comparisons and financial analysis.
- Improve the effectiveness and quality of the auditor's report, as international auditing standards remain unaffected by political, economic, or social influences.
- Simplify the process of comparing financial statements across different countries, expanding opportunities for investment decision-making.

- The adoption of international auditing standards, alongside International Accounting Standards, benefits investors who base their decisions on global factors rather than solely on local conditions. (بن نونة حليلة، 2017، صفحة 04)

3.4. professional performance and fieldwork standards:

The auditor should prepare an appropriate plan for implementing the audit process as follows:

- Work Allocation: Delegate tasks to assistants with different areas of expertise, ensuring each individual focuses on their specific specialty.
- Supervision of Assistants: Oversee the assistants' work through a structured and pre-established plan to ensure the timely and accurate completion of their tasks.
- Assessment of the Internal Control System: The characteristics of the organization's internal control system will determine the extent of the required review.
- The results of this evaluation will help define the following three factors:
 - Extent: This refers to the depth of the audit or the number of tasks to be performed, considering the associated risks.
 - Duration: The duration is determined by the scope of the examination and the number of tasks that need to be completed.
 - Approach: The method or procedure used to carry out the examination.
 - Familiarity with the System: Gain an understanding of the internal control system through tools such as surveys, direct observation, functional reports, and other methods necessary to familiarize oneself with the system.
 - Ensuring the System's Application: While the system may be conceptually sound, it may not always be implemented correctly in practice. The auditor must verify its actual application.
 - Adequacy and Suitability of Evidence: The auditor is required to gather sufficient evidence to establish a strong basis for forming an informed and reliable opinion.
 - Reputation of the Auditor: The auditor's professional reputation is influenced by the volume and quality of the evidence collected, which supports the final conclusion. This evidence can only be obtained through the use of appropriate methods and techniques.
 - Work Files: In the process of collecting evidence, two types of files are maintained-ongoing and permanent:
 - Permanent File: This file contains critical documents related to the organization that will be relevant for future audits. It includes information about the organization's history, operations, systems, work methods, ongoing accounting and financial data, and finalized agreements.
 - Current File: This file pertains to the current year's audit and includes session-related documents, financial and accounting audit topics, along with evidence gathered during the audit.

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4. the applied side

To obtain objective results that align with the purpose of this study and achieve the intended goals, it was essential to design a methodology for the field research. This involved creating a questionnaire and distributing it to professionals and academics specializing in auditing in Algeria.

4.1 Sample of the study

A questionnaire was distributed to professionals and academics across various regions in Algeria, a total of 50 forms were sent out, and after reviewing the responses, 22 completed forms were returned, representing approximately 40% of the total distributed forms.

4.2 Quiz processing

The sample responses were analyzed using the SPSS program, which provides a range of statistical methods to effectively analyze and interpret the questionnaire results, including frequency counts, percentages, and the arithmetic averages.

4.2.1 Questionnaire structure: the questionnaire form included 9 phrases.

4.2.2 Quiz characteristics: the following table shows us the characteristics of the studied sample.

Table (1): sample characteristics

DESIGNATION		%	Number
Gender	Male	%86.40	19
	Female	%13.60	3
Profession	Academic	%9.10	2
	Account portfolios	%81.80	18
	Accounting expert	%9.10	2
Experience	Less than 5 years	%18.20	4
	From 5 to 10 years	%18.20	4
	More than 10 years	%63.60	4
Qualification	Bachelor	%22.70	5
	Master's degree	%59.10	13
	Ph. D. in	%18.20	4

Source: prepared by researchers Djamaleddin sahnoun and El-Haj Ahmed bouriba and, year 2024.

4.3 Gender: The data shows a higher percentage of male respondents in the questionnaire, comprising 86.4%, while females represent only 13.6%. This suggests that the field being reviewed, both academically and professionally, is predominantly male-dominated, likely due to the demanding nature of the profession, which requires significant effort, time, and mobility.

4.4 Profession: Regarding the profession, the data reveals that the majority of respondents are account governors, making up 81.8%, while accounting experts account for only 9.1%. This reflects the shortage of accounting experts at the national level. The same percentage, 9.1%, was reported for academics, including those who combine auditing and teaching roles.

4.5 Experience: In terms of experience, most respondents (63.6%) fall into the third category, with over 10 years of experience, while both the first category (less than 5 years) and the second category (more than 5 years) each make up 18.2%.

4.6 Academic qualifications: the majority of respondents hold a Master's degree (59.1%), followed by Bachelor's degree holders at 22.7%, and those with a Doctorate at 18.2%. This distribution shows a clear focus on respondents with at least a Bachelor's degree, which adds to the study's quality and credibility.

4.7 To assess the level of agreement with the questionnaire items, the Likert scale was used, as shown in the following table:

Table (2): the licart scale.

Very disagree	1.00 to 1.80
Disagree	1.81 to 2.60
Neutral	2.61 to 3.40
Agree	3.41 to 4.20
Strongly agree	4.21 to 5.00

Source: prepared by researchers Djamaleddin sahnoun and El-Haj Ahmed bouriba and, year 2024.

4.8 To clarify the responses from the sample group, the following table presents the answers along with their corresponding arithmetic mean.

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Table (3): shows the sample answers to the questionnaire phrases.

Phrases	Strongly agree	Agree	Neutral	Disagree	Very disagree	Arithmetic mean	Standard deviation	Opinion
Professional performance standards help improve the standing of the audit profession	7	14	1	0	0	4.27	0.55	Strongly agree
These Standards help the auditor to better perform his tasks	7	15	0	0	0	4.31	0.47	Strongly agree
All auditors can use these Standards	4	13	3	2	0	3.86	0.83	Agree
The auditor divides the work between assistants from different specialties, each according to his specialization, as stated in international standards	6	8	7	1	0	3.86	0.88	Agree
The auditor follows up the work of the	6	13	3	0	0	4.13	0.63	Agree

assistants through the planned and pre-prepared program to complete the work assigned to them according to international standards								
The auditor does not comply with international auditing standards in the audit process	3	4	11	2	2	3.18	1.09	Neutral
Total	Agree	/	/	/	/	3.935	0.741	

4.9 interpretation of the results of the analysis of the questionnaire answers:

- Through the arithmetic mean of 4.27 for the first phrase, it indicating that most respondents strongly agree that professional performance standards play a role in enhancing the auditing profession. This suggests that the statement is supported. The standard deviation is 0.55, showing consistency in the responses.
- Through the arithmetic mean of 4.31 for the second phrase, it indicates that most respondents strongly agree that these criteria help auditors perform their tasks more effectively. Therefore, the statement is confirmed. The standard deviation of 0.47 suggests minimal variation in the answers.
- Through the arithmetic mean of 3.86 for the third phrase, it is evident that most respondents agree that all auditors can apply these criteria. This supports the statement, and the standard deviation of 0.83 indicates some variability in responses.
- Through the arithmetic mean of 3.86 for the fourth phrase, we see that the majority of respondents agree that the auditor divides the work between assistants from different specialties, each according to his specialization, as stated in international standards, and therefore the phrase is achieved, while the standard deviation reached 0.88, and this indicates that the answers are not scattered.

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- Based on the arithmetic mean of 4.13 indicates that most respondents agree that auditors should oversee the work of their assistants through a planned program to complete assigned tasks, in line with international standards. The standard deviation of 0.63 shows that the answers are fairly consistent..
- Through the arithmetic average of 3.18 for the fifth term, it is clear that the majority of respondents are neutral about the auditor's non-compliance with international auditing standards in the audit process.
- By the sum of the answers to the questionnaire phrases, it can be said that the majority of the respondents agree with all the phrases with an arithmetic average of 3.935 and a standard deviation of 0.741, which indicates that the individual's answers were homogeneous and not scattered.

Conclusion:

The Studies have demonstrated that auditing plays a crucial role in both economic institutions and the broader scientific economic system. This is achieved by

verifying and certifying the financial information in financial statements, offering an accurate representation of the organization.

In this study, we aimed to assess the level of adherence to professional performance and fieldwork standards during the audit process, focusing on key stages. The findings were as follows:

- Professional performance standards contribute to strengthening the reputation of the auditing profession.
- The auditor delegates tasks to assistants with different areas of expertise, assigning duties according to their specialization, as outlined in international standards.
- The auditor oversees the work of assistants through a structured and pre-planned program to ensure that tasks are completed in line with international standards.
- The audit process is conducted effectively and systematically, with proper management of the tasks involved.

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