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## Compliance for preparation of reports with respect to international standards required by government agencies

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### Abstract

*The research is aimed at identifying the importance of maintaining compliance control reports of an international standard with those of government agencies. Additionally, the most important effects when applying international standards to the presentation of government financial reports were analysed. Achieving the goals of meeting required targets and stated objectives, a questionnaire was distributed to account managers, financial managers, and accountants. The data was processed using a simple regression test; the study researched the impact of applying international standards when preparing government financial reports. Furthermore, the study clarified the extent of compliance needed by authors of government control reports to meet international standards. Therefore, the researcher has provided a set of the most important recommendations: Attention was paid to the focus and follow up pursued by the authors of financial reports to ensure the application of international standards. Also, conducted were more studies to identify weaknesses and strengths in local accounting standards, continually monitoring to maintain international standards.*

**Keywords:** Regulatory Reports; Government Regulatory Reports; Standards; International Standards.

### Introduction

The importance of reports in the public sector has grown with the increasing role of the state in society. The reason is the tasks of the public sector in satisfying public needs have become greater; the responsibility assumed by the state in preserving public funds by various means has intensified. It has become necessary to increase the role authorities play with regards to financial and administrative control concerning relations with other government agencies.

The main basis of any administrative or financial system is to provide correct and organized control. It is a principle agreed by economists. Financiers and administrators by adopting the so-called control reports, a situation where state control bodies such as the Audit Bureau, the Anti-Corruption Commission and other top regulatory bodies partake. In the public sector, the audit

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profession is the basis for establishing strong governance; it represents accountabilities for all concerned institutions. The diverse nature of the public sector lends increasing importance and value to the common understanding of independence as the basis for the credibility. Also, within a broader framework it covers a group of similar institutions that apply the same principles and rules at different organizational levels with regards to internal audit in the public sector (International Organization of Supreme Audit Institutions (INTOSAI), INTOSAI GOV 9140).

The control report constitutes the outcome of the audit process. It is a means of informing the various authorities in the country and all users of the report, the extent to which the entity concurs with laws and regulations. Also, it advises the extent to which financial statements reflect the current situation accurately.

INTOSAI standards require auditors to prepare and conclude findings in simplified form. The content should be easy to read, free from ambiguities, contain only information which can be supported. It should be both objective and impartial.

### ***The importance of research and objectives***

The importance of the research stems from the fact that outputs (results and recommendations) may help overseeing bodies in the country (such as the SAI and the Anti-Corruption Commission) in the planning stage of the audit process; this helps in preparing reports that help promote efficient working.

Notably, the study provides tools that help senior management in Jordanian ministries to design control systems and plan policy-making initiatives to achieve stated goals. Additionally, the study emphasizes the good management of public money when resources are limited, advises on the possible reduction of public money being misused or lost, and overall, enhances the confidence of Jordanian citizens in the performance of the public sector.

The increase in the size of state departments and institutions, the breadth of their work, the delegation of powers, transparency and accountability (institutional governance) has made it difficult to rely on direct control methods. The result is this has led to the emergence of the need for an effective control system that achieves the desired objectives to protect assets from theft, loss and misuse. Moreover, it prevents errors and fraud, ensuring the accuracy of financial statements to help make rational administrative decisions.

Also, the transformation of an external audit (SAI audit) from a comprehensive detailed audit to a test-based audit and the transition from the previous audit to the subsequent audit, requires the need for an effective internal control system, such as system gains trust in the external auditor. (Arab group of supreme audit institutions, 1996, p.219) The study aims to consider government reports in accordance with international standards, and to identify the most important obstacles that limit the effectiveness of such reports and their development in the public sector.

### ***Research Problems***

There is a multiplicity of regulatory bodies in the Jordanian public sector: the Audit Bureau, the House of Representatives, the Anti-Corruption Commission, the Insurance Sector Supervisory Authority, the Telecommunications Regulatory Authority.

Noticeably there is a difference in the performance of the public sector compared to the private sector; this requires attention. It is highlighted in the reports issued by the regulatory authorities regarding the work of state institutions, departments, ministries, and similar bodies. Therefore, it calls for activating the role of regulatory authorities in state institutions to prevent the occurrence of abuse, violation of laws and legislation, protect public money from loss, detect abuse, if any, and address the situation.

The study reached the following conclusions:

Do government control reports comply with international standards?

Is it possible to produce government control reports within international requirements?

Are there any obstacles that limit the effectiveness of compliance of control reports with international standards?

### **Literature Review**

Mohammad Sameer I (2018): The Impact of Adopting International Financial Reporting standards (IFRS) on the quality of financial reports measured by the level of improvement in the accuracy of financial analysts' expectations – an experimental study. The research aims to test the relationship between the adoption of IFRS standards and the quality of financial reports, measured by the level of improvement in the accuracy of financial analysts' expectations. To achieve the goal, previous accounting studies were analysed to derive the main research hypothesis. The experimental approach was used to test the main hypothesis of the research by using a sample of 45 financial analysts working in brokerage firms and in securities' trading companies. The study relied on non-parametric statistical tests (Wilcoxon signed ranks test) to assess the existence of significant differences in the predictions of profits.

The results showed a positive and significant effect of adopting IFRS standards regarding the accuracy of financial analysts' forecasts of profits. There was a decrease in the level of errors in profit forecasts in the period following the adoption of international financial reporting standards compared to the level of errors in forecasting profits prior to the adoption of international financial reporting standards. Thus, the findings have positively affected the quality of financial reports through increasing the accuracy of financial analysts' forecasts for earnings.

***Ahmed Zakaria Abdo Al-Sayed, 2013: the compatibility of CAA reporting standards in comparison with the international audit reporting standards issued by INTOSAI***

The study, somewhat theoretical, focuses on the compatibility of standards when preparing audit reports submitted by the Central Auditing Organisation with the standard of reports issued by the International Organisation of Supreme Audit Institutions (INTOSAI).

Three major topics were addressed. Firstly, a presentation to analyse previous studies related to testing the extent to which supreme audit institutions apply international auditing standards issued by INTOSAI international regulatory reports. Secondly, was a presentation to clarify the nature, importance and objectives of the audit reports, the nature and importance of the international audit standards, the standards for drafting international audit reports, in addition to the characteristics of the audit reports prepared regarding these standards. the characteristics of control reports prepared in the light of such criteria, third a field study presentation.

The study concluded there are several reasons why the CAA may need to apply the International Auditing Standards issued by INTOSAI, the most important of which are the following (sorted by their relative importance according to study sample).

### ***First Topic***

International auditing standards enhance the ability of the CAA to achieve its main tasks (arranged according to their relative importance to the feedback of the study sample):

Ensure the drafting of CAA reports with a high level of quality and consistency

Increase the comparability of CAA reports at local and international levels.

Reflect a consensus among SAI as to the best practice.

Increase the credibility of SAI and its members towards society.

### ***Second Topic***

The compatibility of the standards for the preparation of control reports applied by the Central Auditing Organisation does not comply fully with standards issued by INTOSAI. It was found from the analysis of the opinions of the study sample that the reports of the Central Auditing Organisation lacked brevity and timely issuance. Also, reports issued by the Central Auditing Organisation are not standardized, statements subject to control are rarely attached.

The reports of the Central Auditing Organisation do not:

Include appropriate explanations such as tables, graphs and images.

Indicate the nature and extent of the information available (or that should be available) for controlled entities, violations, criticisms, solutions, weaknesses.

Include critical results in a way that encourages correction or matters deemed important.

Facilitate the response of the controlled entities about the results and recommendations contained

in the report.

Indicate the opinion of observers and whether it is conservative or unreserved.

### ***Third Topic***

The conclusions that limit the application of the Central Auditing Organisation to the International Auditing Standards issued by INTOSAI, are as follows (in order of their relative importance according to the study sample):

The non-obligation of the authority to apply international auditing standards.

Failure to issue guidelines by the authority explaining how to apply international regulatory standards.

Poor Arabic translation of international regulatory standards.

The authority's lack of interest in familiarizing members with international regulatory standards and how to apply international regulatory standards.

Lack of immediate translation of developments and similar items regarding international regulatory standards.

Lack of appropriate and sufficient means within the authority to facilitate members to pursue developments, especially relating to international regulatory standards.

Texts of international regulatory standards conflict with some texts of relevant local laws.

Therefore, considering the results of the study the researcher recommends:

The need for the CAA, in co-ordination with the relevant professional bodies and organizations in Egypt, to issue Egyptian standards that are compatible with INTOSAI international regulatory standards.

The need for the Central Auditing Organisation to review the Arabic translation of texts of international regulatory standards and issue in correct Arabic without losing meaning.

The need for the Central Auditing Organisation to issue instant translation of the developments and changes in standards, being made available to technical members.

The need for the Central Auditing Organisation to arrange internal training courses for technical members on international auditing standards and their application.

The need to facilitate access for all technical members of the Central Auditing Organisation to the final copies of INTOSAI international auditing standards, whether by distribution, or by placing the relevant link on the authority's official website.

The need to urge and motivate technical members of the Central Auditing Organisation towards

research and study in the field of evaluating international regulatory standards and their suitability for application in an Egyptian environment.

***Al-Mutairi, Badr Saad, 2011: the expected effects for applying international standards when preparing financial reports on stability of the stock market in the State of Kuwait***

The study aimed to explore the anticipated effects of applying international standards for preparing financial reports on the stability of the stock market in Kuwait from the viewpoint of investors, financial managers, and analysts.

To achieve this objective, the researcher dealt with two types of data; primary and secondary collected via field study and questionnaire. The sample comprised 400 respondents; the data was analysed for SPSS. The study established the application of international standards (quality control, international rules for vocational ethics, international habilitation standards, international accounting standards) that affect the stability of the stock market in Kuwait.

The study made the following recommendations:

Companies give thought to international accounting standards, being of great importance for the stability of the stock market.

Ask investors to understand company accounting systems and correspond with the international accounting standard.

***Al-Rahahleh, Mohammed Yassin Suleiman, 2009: the extent of compliance of the reports of the Jordanian Audit Bureau with the international standards, issued by INTOSAI.***

The research sought to identify the extent of the application of international standards issued by INTOSAI for reporting and elaborating constraints that limit the usage of such standards. Also, the aim was to provide suggestions and recommendations for the preparation of reports according to international standards.

The questionnaire was distributed to all auditors working in the headquarters of the Audit Bureau of Jordan and in appropriate government ministries, in number 23 at the time of the study. Overall, 304 questionnaires were distributed, a total of 250 replies received, an 82.2 per cent return.

It emerged clear when considering the analysis that the Audit Bureau in Jordan applies international standards issued by INTOSAI concerning the formulation of reports with a high degree of importance (3.9). There was an agreement among the respondents that the application of international standards has many advantages:

Strengthens accountability and credibility of the court towards the community.

Constantly improves the quality of process control.

Helps create a comparison between traditional reports and those produced to international

standards.

Affords practicality for preparing reports.

There are many difficulties and obstacles when applying international standards issued by INTOSAI, there is:

An absence of necessary legislative text that apply international standards

No provision that provides for applying standards.

A lack of interpretation of the developments and changes that occur regarding the standards.

***Robert W. McGee, 2007: The effect of international standards for a financial report***

The study aims to identify international accounting standards and systemic factors with regards to the quality of government financial reports. A theoretical study was conducted to determine standards; the standard of depreciation of assets was used as an alternative variable. The company's progress in applying international accounting standards was measured before issuing the standards and the speed of response when issuing the standards.

Systemic factors, the quality of government financial reports was represented by the legal and accounting environment in which the company operates. Also, considered was a middle group of companies with systemic characteristics such as accounting systems, auditing, and the presence of control in which general business holding companies operate.

The ratio of elements to total assets was used to measure the quality of government financial reports, linking this variable to systemic factors, and applying the criteria of decline in the value of assets to these variables; a variable was introduced that expresses the size of the company's total assets. A further variable is the percentage change in profits for the current year.

A quality variable of government financial reports was selected from a sample of 57 publicly trading companies for the years 2005 and 2006. The results of the study:

- there is clear evidence that the quality of government financial reports for companies that apply the standard of decline in the value of assets is higher than for companies that have not applied the standard of decline.
- the response of companies to the application of international standards is low, this reveals the difficulties in adapting the unified accounting system to modern standards.

The study recommended:

- the need for radical amendments to the current legal and accounting systems so that they are the same for all companies.
- general principles governing the work of all joint-stock companies should be included.

***Kohlbeck and Terry Warfield, 2005: the Effects of principle-based accounting standards on accounting quality***

The study aims to research the extent to which the application of four international accounting standards affects the quality of accounting information. The standards are based on the definitions of assets and liabilities in accordance with the framework of accounting to assure the quality of the accounting information.

The researcher used the field method by distributing a questionnaire as the study sample; the most significant results were:

- positive relationships by applying the concept-based approach and increasing the explanatory and predictive ability of profits, especially when applying employee benefits criteria.
- consistencies between the application of the concepts-based portal and accounting information resulting from using the portal for both financial analysts and investor; therefore, it is considered evidence of the feasibility of applying the concept-based approach as an appropriate basis for setting accounting standards.
- reduced manipulations, many of which were related to the application of accounting regulations by increasing the application of concept-based international accounting standards.

***Catherine Schipper, 2003: Principle based accounting standards***

The study aims to identify the extent to which concept-based international accounting standards are applied correctly and appropriately. The researcher used the theoretical method in conducting the study. He reached several results, most notably:

- concept-based international accounting standards applied correctly, they support the objectives of the Financial Accounting Standards Board (FASB), whose goal is to improve the usefulness of accounting registration by focusing on the basic characteristics of relevance and credibility.
- the application of the concept-based portal will reflect economic trends but the idea of applying the concept-based portal will not be easy. It requires a fundamental change by all parties interested in financial accounting by the standard-setters, the SEC Securities supervisory authority and investors, as well as those who prepare financial statement and auditors.
- relying on rules will lead to an increase in the degree of accuracy through which standard-setters communicate their requirements and objectives to those who prepare financial statements. Conversely, relying on standard-setting based on regulations, will lead to an



increase in the degree of complexity in addition to the structuring of economic events.

**Sample study: Government regulatory authorities: SAI**

***Study hypotheses***

In line with the objectives of the study, the hypotheses of the study can be formulated as follows:

- H01: government control reports do not comply with international standards.
- H02: government control reports cannot be aligned with international standards.
- H03: there are obstacles that limit the effectiveness of compliance of control reports with international standards.

**Analysis**

Variables	Categories & Names	Repetitions	Percentages
Age	25years and under	31	7.7
	26- 35 Years	24	6
	36 – 45 Years	55	13.8
	46- 55 Years	136	34
	56 Year and over	154	38.5
Qualification	Intermediate Diploma	88	22
	Bachelor	212	52.9
	Master	68	17.1
	PhD	32	8
Job Title	Accountant	102	35.1
	Financial Manager	121	41.6
	Account Manager	68	23.4
Professional Qualifications	CFA	61	15.2
	CISA	73	18.4
	CMA	69	17.3
	CPA	99	24.9
	CIA	58	14.6
	No certificate	40	9.6

The research states the number of repeated replies and percentages according to the answers obtained from the study sample, relevant to personal and functional variables using the statistical replies of account managers, financial managers, and accountants.

**Major Discussion**

- *Age*: referring to table no:1 the ages of the highest percentage of respondents are concentrated in the 45 years and over category; they accounted for 38.5 per cent of the total; the 41 years to 45 years age range accounted for 34 per cent. Experience was relevant, the older age groups have gained a great deal of knowledge in financial dealings. They have dealt with large capital, which requires maturity as well as assuming a high level of responsibility. Also, this age group (45 years and over) may have members who possess

mental, intellectual and physical attributes that enables them to work without feeling tired or exhausted.

- *academic qualification:* table no.1, holders of the first university degree (Bachelor's degree) are the most, 52.9 per cent; by studying this characteristic, we note the high level of achievement owing to the increased advanced interest in education.
- *job title:* table no.1 shows the highest percentage reached, 41.6 per cent for financial managers, next was accountants at 35.1 per cent and finally account managers at 23.4 per cent. Comparing the functional levels of the categories, an increase in the number of respondents at the top of the pyramid of financial regulation is noted.
- *professional certificates:* table no.1 demonstrates that most are holders of professional certificates in accounting; those with a great deal of experience. They worked for many years in financial markets; this requires professional certificates in auditing, which gives them additional capabilities to carry out high workloads.

**Hypothesis testing**

The researcher used arithmetic averages and standard deviations to test the hypotheses. Answers were identified according to the Likert five-point scale (very good 5, good 4, average 3, poor 2, very poor 1).Presentation and analysis of the results of the first hypothesis: government control reports do not comply with international standards.

**Table no.1:** compliance of government control reports with international standards

Item	Statement	Mean	Standard Deviation	Importance
1	Compliance with international standards in the preparation of government control reports	4.5000	0.55821	1
2	Government control reports characterised by the quality of accounting information	4.1857	0.70798	4
3	Government control reports with international standards of great benefit to decision makers	4.0143	0.60176	3
4	International reports prepared in accordance with international standards have distinctive features	3.8143	0.82168	5
5	Compliance with the application of international standards when preparing control reports to ensure no violations are recognized according to the standards	4.0714	0.57285	2
	Overall average	4.1171	0.6525	

The arithmetic averages and standard deviations, questions 1-5, are based on the arithmetic average of the 400 answers.

The results contained in table no. 2 show the extent of compliance of government control reports that meet international standards; they reached an overall average of 4.1171, a standard deviation of 0.6525. It was found that when adhering to international standards in the preparation of

government control reports, there was an arithmetic average of 4.500 and standard deviation of 0.55821. Item no.2 illustrates that “government control reports are characterized by the quality of accounting information”, stated at a 4.1857 mean with a standard deviation of 0.70798.

It is generally noted that all averages were higher than the average of the minimum limits proposed in this study, notably when the arithmetic mean is 3; this indicates that the responses of the study sample were positive in all items and that there is a compatibility of government control reports with international standards. The main hypothesis that government control reports do not comply with international standards was not upheld; there is a compatibility between government control reports and international standards.

2: Government control reports cannot be aligned with international standards

**Table no.2:** extent of conformity of government control reports with international standards.

Item	Statement	Mean	Standard Deviation	Importance
6	Government financial reports in accordance with international accounting standards	4.1311	0.71480	1
7	Locally prepared government financial reports in the field of disclosure and reporting that comply with international accounting standards	4.1143	0.87630	2
8	Local government financial reports based on modifications in accordance with international accounting standards	3.9101	0.77623	5
9	Information published in financial statements corresponding to those meeting international accounting standards	3.9286	0.72194	4
10	Government financial reports prepared in accordance with international standards able to cope with local conditions	4.0714	0.76729	3
Overall average		4.0311	0.771312	

The arithmetic averages and standard deviations of the study sample answers to questions 6-10 were based on the arithmetic average of the answers. The general average was 4.0311, a standard deviation of 0.771312. Item no.6 (government financial reports in accordance with international accounting standards) came in first place with an arithmetic average of 4.1311 and a standard deviation of 0.71480

Item no.8 (local government financial reports based on modifications in accordance with international accounting standards) came in last place with an arithmetic average of 3.9101, a standard deviation of 0.71480.

It is generally noted that all averages were higher than the average limits adopted by the study which was 3, this indicates that the response was positive on all statements and that there is a concurrence of government control reports with international standards. Therefore, this negates the main hypothesis that it is not possible to synchronise government control reports with international standards.

3: Obstacles limiting the effectiveness of the compliance of control reports with international standards.

**Table no.3:** Obstacles limiting the effectiveness of the compliance of control reports with international standards.

The averages and standard deviations for questions 11-15, depending on the arithmetic mean of

Item	Statement	Mean	Standard Deviation	Importance
11	Local government financial reports keeping abreast of developments and requirements imposed by international accounting standards	4.071	0.8351	3
12	Information published in local final financial statements corresponding to established international accounting standards	4.153	0.6735	2
13	International qualification standards available in government financial reports	3.922	0.7631	4
14	Locally prepared government financial reports regarding the processing of operations, fully based on international accounting standards	4.376	0.7921	1
15	Government financial reports, clear and comprehensive, in accordance with international standards	3.863	0.7238	5
Overall average		4.077	0.75752	

the answers, the general average was 4.0377, a standard deviation of 0.75752. Item no.14 (locally prepared government financial reports regarding the processing of operations, fully based on international accounting standards) came in first place with an average of 4.376, a standard deviation of 0.7921.

Item no.15 (government financial reports, clear and comprehensive, in accordance with international standards) came in last place with an average of 4.077 and a standard deviation of 0.75752.

Notably, all the averages reached were higher than the average limits adopted in this study which is 3; this indicates that the response of the study sample was positive on all statements and that there are no obstacles limiting the effectiveness of the compliance of control reports with international standards. Therefore, the research negates the main hypothesis that: there are obstacles that limit the effectiveness of compliance regarding control reports with international standards.

**Results of evaluating the hypotheses of the study**

Adopting, the simple linear regression (simple regression) method, the results were as follows:

**First hypothesis**

HO1: government control reports do not comply with international standards; the hypothesis was assessed using simple regression analysis as below:

**Table no.4:** results of the test for the impact of compliance regarding control reports with international standards.

Variable	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	R	R <sup>2</sup>
	B	Std. Error	Beta				
Constant	1.998	0.500		3.993	0.000	0.431	0.186
Control	0.485	0.123	0.431	3.939	0.000		

It is clear from the data in table No. 4 that the calculated value of t is 3.939 and its tabular value is 1.667; comparing the calculated value of t with its tabular value, the calculated value is greater than the tabular value. If the value of t is greater than the tabular value, the negative hypothesis is rejected, the alternative hypothesis is accepted. The hypothesis states that "government control reports comply with international standards"; this is confirmed by the significant value of 0.000, which is less than 5 per cent.

Note: the BETA coefficient is 0.431; this indicates the direction of the relationship is positive between the independent variable and the dependent variable.

Also, the K-S test was administered to choose the extent to which the data followed the normal distribution. The significant value of this test was 0.249, which is higher than 0.05; it indicates that the data followed the hypothesis of normal distribution.

**Second hypothesis**

HO2: government control reports cannot be aligned with international standards.

The hypothesis was tested using simple analysis as shown in the following table:

**Table No.5:** extent of conformity of government control reports with international standards

Variable	Non standardised	Standardised Coefficients		t	Sig.	R	R <sup>2</sup>
	Coefficients	Std. Error	Beta				
Constant	3.082	0.250		3.580	0.000	0.398	0.159
Control	0.233	0.065	0.398	3.580	0.001		

It is clear from the data in table 5 that the calculated value of t is 3.580 and its scheduled value is 1.667; comparing the calculated value of t with its scheduled value, the calculated value is greater than the tabular value. The rule indicates that if the calculated value of t is greater than the tabular

value, the negative hypothesis is rejected, the alternative hypothesis is accepted. The hypothesis states "there is a co-ordination of government control reports with international standards".

Therefore, the statement is confirmed by the significance value of 0.000 being less than 5 per cent.

Note that the BETA coefficient of 0.398 indicates that the direction of the relationship is positive between the independent variable and the dependent variable. The K-S test was also used to choose the extent to which the data followed the normal distribution, where the significant value of this test was 0.156, higher than 0.05; this indicates the data followed the hypothesis of normal distribution.

### Third Hypothesis

HO3: there are obstacles that limit the effectiveness of compliance of control reports with international standards.

The hypothesis was tested using simple regression analysis:

**Table No.6:** the extent to which there are obstacles that limit the effectiveness of compliance regarding control reports with international standards

Variable	Non standardised Coefficients		Standardised coefficients	t	Sig.	R	R <sup>2</sup>
	B	Std. Error	Beta				
Constant	2.855	0.385		7.423	0.000	0.332	0.110
Control	0.274	0.095	0.332	2.898	0.005		

It is clear from the data in table no.6 that the calculated value of t is 2.898 and its scheduled value is 1.667. Comparing the calculated value of t with its scheduled value, the calculated value is greater than the tabular value. If the calculated value of t is greater than the tabular value, the negative hypothesis is rejected, and the alternative hypothesis is accepted. The hypothesis states: "there are no obstacles limiting the effectiveness of the compliance of control reports with international standards"; this is confirmed by the significant value of 0.000, which is less than 5 per cent.

Note: the BETA coefficient is 0.332; it indicates that the direction of the relationship is positive between the independent variable and the dependent variable. Also, the K-S test was used to choose the extent to which the data followed the normal distribution, the value was 0.139, higher than 0.05.

This indicates that the data followed the hypothesis of the normal distribution.

### Findings and recommendations

The researcher came to several Results.

- Results indicate there is an impact when international standards for the quality of government financial reporting are applied; the guidelines of international accounting standards in the preparation of government financial reports follow the best accounting

practices.

- Also, illustrated is the fact that government financial reports prepared in accordance with international standards are characterized by the quality of accounting information; these reports prepared in accordance with international standards, are of great benefit to decision makers.
- Furthermore, the results of the study indicate that there are no obstacles limiting the application of international standards when preparing government financial reports.

### Recommendations include

- focus on statements already prepared by financial preparers to ensure the application of international standards when planning government financial reports.
- conduct periodic studies to identify weaknesses and strengths in locally applied accounting standards.
- continuously develop local levels in accordance with international standards.
- before applying the full application of international accounting standards study all aspects in order to identify negatives and positives.
- try to find solutions to negatives before starting the application.

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