

**The application of the Algerian auditing standards in the
performance of the audit function of companies
- Conducting a personal interview with a sample of auditors in the
center –**

**واقع تطبيق معايير التدقيق الجزائرية أثناء أداء مهمة تدقيق
الشركات**

- إجراء مقابلة شخصية مع عينة من محافظي الحسابات في الوسط -

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Abstract: this study shows how the auditing standards are applied by Algerian auditors in companies .we focus on the positive and negative aspects when auditors are doing their job .so our problematic question is :what is the reality of applying the Algerian auditing standards ? several interviews were conducted with auditors ,from four cities, who expressed their willingness to implement all the standards ,some of which are directly connected with the auditing principles. whereas other standards are not applied when companies don't cooperate out of fear of being exposed .however all the auditing principles must be applied due to their importance.

Keywords : auditor, audit of companies; Algerian auditing standards .

ملخص: تهدف هذه الدراسة إلى التعرف على واقع تطبيق معايير التدقيق الجزائرية من قبل المدققين أثناء تدقيق الشركات، والتعرف على إيجابيات وسلبيات وصعوبات تطبيقها في بيئة الأعمال الجزائرية. لذلك طرحنا إشكالية: ما هو واقع تطبيق معايير التدقيق الجزائرية أثناء أداء مهمة التدقيق من طرف محافظي الحسابات؟ ومن أجل الحصول على إجابات دقيقة أجرينا مقابلة مع عينة من محافظي الحسابات في أربع ولايات من الوسط. وخلصنا أنهم أبدوا الرغبة في التطبيق الكلي للمعايير فمنها ما يطبق مباشرة باعتباره يصب في مضمون المبادئ والفروض المحاسبية، ومنها ما لا يطبق بسبب عدم تعاون الإدارة وتهمها فبنظرهم محافظ الحسابات جاء ليكشفهم، ومن المبادئ ما ليس له أهمية للتطبيق .

الكلمات المفتاحية: محافظ الحسابات، تدقيق الشركات، معايير التدقيق الجزائرية .

: Résumé

Cette étude vise à identifier la réalité de l'application des normes d'audit algériennes dans l'exercice de la fonction d'audit qui est faite par des

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commissaires aux comptes, ainsi que les avantages et les inconvénients de l'application des normes d'audit algériennes d'après le point de vue de ces praticiens, ainsi que les difficultés d'application de ces normes dans l'environnement des entreprises algériennes, tout ça après avoir interrogés un bon nombre des commissaires aux comptes et enregistré toutes leurs réponses ,tout en dévoilant sur quels principes se basent ces professionnels au cas d'absence d'application des NAA .

Et Sur la base de ces réponses, cette étude a conclu que les comptables avaient exprimé le souhait que les normes d'audit soient globalement appliquées.et d'après eux :Parmi les normes y en a qui sont appliquées directement en tant que substance dans les principes et les hypothèses comptables.

Y'a d'autres normes qui ne sont pas appliquées en raison du manque de coopération des responsables et l'évasion de la soumission de documents et les assurances et la divulgation car ils voient toujours que le commissaire aux comptes est venu juste pour exposer et stigmatiser. Si non y a des normes que les commissaires au comptes n'attachent pas d'importance à leurs application.

Mots clés : commissaire aux comptes, l'audit des sociétés, les normes d'audit . algériennes

Résumé :

Cette étude vise à identifier la réalité de l'application des normes d'audit algériennes dans l'exercice de la fonction d'audit qui est faite par des commissaires aux comptes, ainsi que les avantages et les inconvénients de l'application des normes d'audit algériennes d'après le point de vue de ces praticiens, ainsi que les difficultés d'application de ces normes dans l'environnement des entreprises algériennes, tout ça après avoir interrogés un bon nombre des commissaires aux comptes et enregistré toutes leurs réponses ,tout en dévoilant sur quels principes se basent ces professionnels au cas d'absence d'application des NAA.

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I- Introduction : In order to ensure quality of good auditing, a combination of characteristics, including good professional qualification of the account manager, efficiency, independence, experience, efficient management of the company and the extent of their cooperation with the governor of accounts to perform the task of auditing, in addition to clear and strict laws that regulate and facilitate the performance of the audit function: This is why Algeria has included some auditing standards that will serve the profession and assist the accountants, these standards derived from international auditing standards. In view of the above, the following problem arises: **What is the reality of the application of the Algerian auditing standards during the performance of the audit function by the auditors?**

Study hypotheses: In the light of the sub-questions, the hypotheses of the study were formulated as follows:

- Auditing standards have brought several strengths, including an organizational framework that makes it easier for account managers to plan audit tasks and in a short time.- The Algerian auditing standards did not bring any negatives in their application.- There are no difficulties in applying the Algerian auditing standards because they are derived from a study that is supposed to be in depth.
- If the auditor does not apply these criteria, he is based on the performance of the audit function and the profession.

1- Generalities about the governor of accounts

1 -1 The concept of the auditor: Below we will present some definitions of the accounts contained in the Algerian laws:

A- The Commercial Law defines the auditor in accordance with Article 715 bis 4 as: "The person who verifies the correctness of the information provided in the report of the Board of Directors as the case may be and in the documents sent to the shareholders regarding the financial position and accounts of the Corporation ,the budget and its validity ,accountants verify if the principles of equality of the shareholders are respected"² . It is therefore auditor who performs the audit, which is defined as an organized and systematic process of gathering objective evidence and evidence relating to the results of the economic activities and events, to determine the compatibility and conformity of these results with the established

² Abdel ali mohamdi , on 06 and 07 May 2012,The role of the Governor of the accounts in activating the banking governance mechanisms to reduce financial and administrative corruption. Algeria,p 4

criteria.³

B- According to Article 27 of Law No. 91-08 dated 12 Shawwal 1411 Hijri corresponding to 27 April 1991 AD, which was repealed by Law No. 10-01 of 16 Rajab 1431 corresponding to 29/06/2010: It is conservative in the concept of this law: "Every person who is normally exercised in his name Under the responsibility of the profession of the certificate of health and regularity of corporate accounts, and the bodies provided for in Article 1 of the same law under the provisions of the legislation in force "⁴

C- Article 22 of Law No.10-01 of 16 Rajab 1431 corresponding to 29/06/2010 concerning professions: the auditor who is accredited as: "Every person who normally exercises in his own name and under his responsibility the task of validating the accounts of organizations and bodies and their regularity and conformity with the provisions of the applicable legislation."⁵

✦ A person who is scientifically and practically qualified under the terms set out in Algerian law. To note, the governor of accounts is a form of external audit, which is legal scrutiny.⁶

2- What is the definition of Algerian auditing standards? In this section we will learn about the concept of standards and their presentation

2-1 The concept of auditing standards: The standards of international auditing came in order to provide professional guidance for financial auditing and its services. These standards are in their content as a global and international model that is applicable. However, it left all countries to issue their own standards. They will pay attention to the financial and economic environment of the business as well as the period it goes through which plays an important role in establishing and successfully implementing these standards. Algeria is also interested in this idea to reach the profession of external audit objectives in a tight framework, and shows this interest to regulate this profession through the issuance of standards for auditing of the Algerian **Normes Audit Algériennes** aimed at auditing the financial statements in all forms of external auditing profession legal or contractual, Based on the International Auditing Standards issued by the International Federation of Accountants. Thus, the definition of auditing standards is whether international or Algerian, not very different because Algerian auditing standards are derived from international auditing standards and are mainly intended for the same purpose. The definitions of international audit standards have varied, but most of them are as follows:

³ Youssef Balakat, 2018/2019, Legal Audit and Corporate Governance, in the Algerian Business Environment, Field Study, PhD thesis in Management Sciences, Higher Business Teachers, Qalya, Algeria, p. 54

⁴ Article 27 12 Shawwal 1411 Hijri corresponding to 27 April 1991, Law No. 91-08 ,.

⁵ Official Gazette of the Republic of Algeria, 29/06/2010, No. 42 of 11 July 2010, Article 22 of Law No. 10-01 of 16 Rajab 1431 corresponding to.

⁶ Mohamed Putin, 2005, Audit and Control of Calculations from Theory to Practice, University Publications, Algeria, p. 2, p

A- "International Auditing Standards are the standards and professional principles that provide the necessary guidance to enable the auditor to perform the necessary procedures to perform various audits"⁷

B- As defined by the International Federation of Accountants (IFAC) as "a general term, the criteria to be applied in the audit of financial statements and the standards to be applied to relevant services "⁸

C- According to Howard Stettler, "Audit standards are qualitative measures to perform audit work and the objectives to be obtained from the execution of procedures."⁹

D- Arens Alvin, James Loebbecke defines "general guidance to assist auditors in fulfilling their professional responsibilities, including professional qualifications such as competence, independence, reporting requirements and evidence."¹⁰

2-2 Issuance of Algerian Auditing Standards: " The bodies responsible for the drafting of Algerian auditing standards are the following committees: the Committee on the Standardization of Accounting Practices and Work Procedures, the Quality Control Committee, the Special Committee, which is responsible for setting Algerian auditing standards and was established within the National Accounting Council" ¹¹, Since the middle of 2011, the implementation of several national agreements derived largely from international auditing standards with adaptation to Algeria due to some provisions and to maintain the basis for preserving the origin. "According to the decisions of the Ministry of Finance in this area was published four criteria for auditing Algerian On 04 February 2016 and are each of the standards number: 210-505-560-580 "¹²

"On October 11, 2016 was the second issue of four other criteria: 300-500-510-700"¹³

"On 15 March 2017 was the third issuance of four other criteria as follows: 520-

⁷ Kazem Hussain, 2003, Role of International Auditing Standards in Strengthening Assurance Services, Journal of Accounting and Financial Studies, Baghdad College of Economic Sciences, No. 23, p359

⁸ International Federation of Accountants, International Auditing Standards, p. 1

⁹ Howarsstettler (1997), auditing principle, newjersy, p13

¹⁰ Arens Alvin, James Loebbecke, (1980), auditing an integrated approach, prenticeHall, newjersy, second edition, p14

¹¹ Dahmi, 28/02/2017, National Council of Accounting, Committees supervising Algerian Auditing Standards, Office of the Secretary-General, Interview conducted by Ashraf Ben Sghayr in preparation of a master note entitled: A Comparative Study of the Algerian Auditing Standards NAA and ISA , Faculty of Economic and Commercial Sciences and Management Sciences, University of Arabi Ben Mehdi, Umm al-Bouaki, Algeria, 2016-2017, p. 66.

¹² Decision No. 002 of 04 February 2016 issued by the Ministry of Finance, which includes the Algerian Auditing Standards No. 210-505-560-580

¹³ Decision No. 150 dated 11 October 2016 issued by the Ministry of Finance, which includes the Algerian Auditing Standards No. 300-500-510-700

570-610-620 "¹⁴

"On 24 September 2018 there was a fourth issue of four other criteria: 230-501-530- 540 "¹⁵

2-3 Presentation of the Algerian Auditing Standards: As we know, the international audit standards are divided into 8 parts that include other standards.. We will present the Algerian auditing standards by dropping their scope to international auditing standards or, rather, to any part of the Algerian standard of auditing. Each standard usually contains the following key elements: The application of the standard, the auditor's duties in accordance with this standard, and other key provisions of the Standard.

✦Part I - General principles and responsibilities:

In terms of general principles and responsibilities, **the NAA 210 was issued under an agreement on the provisions of the audit function**¹⁶ in conjunction with ISA 210 and the other standards relating to general principles and responsibilities have not yet been adopted. In respect of the scope of application of this Standard, it relates to all audit functions of historical or partial historical financial statements in addition to the attached tasks, as well as the Auditor's duties and responsibilities in accordance with the agreement with the Administration on the provisions of audit functions.

✦Part 2 - Risk Assessment and Response to Resident Risks:

• **Standard 300NAA, entitled Planning Financial Statements for Financial Statement Planning**, examines the Auditor's obligations in planning audit of financial statements and recurring audits. In it's The first part addresses the concept of financial statement audit planning: At the end of the previous audit and continue until the end of the current audit. The standard also states the auditor's duties before the beginning in the initial audit task, at the beginning of the initial task, in the preparation of the general strategy and finally in the preparation of the work program.

✦Part 3 - Getting Evidence: In this area, seven standards were issued, inspired by ISA standards:

* **Convincing elements (NAA500)**¹⁷ The elements that are convincing according to this standard are: All information collected by the auditor in order to reach reasonable results is the basis on which his professional opinion is based. It is classified into two categories: the information included in the accounting, which

¹⁴ Decision No. 23 of 15 March 2017 issued by the Ministry of Finance, which includes the Algerian Auditing Standards No. 570-610-620

¹⁵ Decision No. 77 of 24 September 2018 issued by the Ministry of Finance, which includes the Algerian Auditing Standards No. 230-501-530-540

¹⁶ Decision No. 002 of 04 February 2016 of the Minister of Finance on Algerian Standards of Audit (NAA210).

¹⁷ Decision N ° 150 of October 11, 2016 by the Minister of Finance on Algerian Standards of Audit (NAA500).

leads to the preparation of financial statements such as restrictions, which constitute an important source of disguised elements.

* **External Assurances (NAA505)**¹⁸ This standard addresses the auditor's use of external confirmation procedures (a proof that is obtained by a written response directed to the auditor by third parties, whether paper, electronic or otherwise) for the purpose of obtaining evidence. External confirmation is classified as standard by:

- A confirmation request (a positive confirmation) is a request by which "third parties" are invited to respond directly to the auditor whether he confirms or denies the information contained in the request or provides required information.
- An implicit confirmation (negative confirmation) is a request by which the third party is invited to respond directly to the auditor only if he denies the information contained in the request.

* **Initial audit tasks - Opening balances (NAA510)**¹⁹ addresses the auditor's duties with respect to opening balances under the initial audit function: the amounts included in the financial statements include items at the beginning of the period.

* **Analytical procedures (NAA520)**²⁰ addresses the auditor's use of analytical procedures which are a control technique of estimating financial information through association with financial information Other than non-financial information issued or not, analytical procedures include comparisons with previous or estimated data of the entity or similar entities, using simple or complex methods using statistical techniques.

* **Post-Closing Events (NAA560)**²¹ The standard presents the auditor's liabilities for post-closing events in the context of the audit of the financial statements.

- Subsequent events are those between the date of the financial statements and the date of the auditor's report, which the auditor has learned after the date of his report. and The date of preparation of the financial statements (the closing date) is the date on which the financial statements are prepared and the persons with the locker authority assume their responsibilities. also The date of the auditor's report is the date on which the financial statements are prepared and are in line with the effective end date of the audit function and cannot be earlier than the date of preparation of the financial statements. and The date of approval of the financial statements is the date on which the latter is adopted by the General Assembly or by the deliberative body. and finally The date of issuance of the financial statements is in which the audited financial statements, as well as the auditor's report, are provided, if any, to external parties.

¹⁸ Decision No. 002 of 04 February 2016 of the Minister of Finance on Algerian Standards of Audit (NAA505).

¹⁹ Decision N ° 150 of 11 OCTOBER 2016 of the Minister of Finance on Algerian Standards of Audit (NAA510)

²⁰ Decision No. 23 of March 15, 2017 by the Minister of Finance on Algerian Standards for Auditing (520).

²¹ Decision N ° 002 of 04 February 2016 of the Minister of Finance on Algerian Standards of Audit (NAA560).

* **Continuation of Utilization (NAA570)**²² it addresses the auditor's obligations to audit the financial statements of the management's application of the continuity of exploitation assumption in the preparation of the financial statements.

* **The written statements (NAA580)**²³ addresses the requirement that the auditor obtains written statements by the management.

†Part 4: Using the Work of Other Professionals: We find the two criteria:

* **Use of the Internal Auditor's Work (NAA610)**²⁴ This Standard addresses the terms and conditions for the external auditor's use of the internal audit.

* **Use of an expert's specific work by the auditor (NAA620)**²⁵ it addresses the auditor's duties when he uses an expert of his choice to conduct special monitoring that requires experience in a field other than accounting and auditing, as well as the manner in which the expert's conclusions are taken.

However, if the auditor who has used the work of an expert appointed by the same expert, and follows this standard, concludes that the work of the expert is appropriate to the audit needs, he can, accept the results and conclusions of this expert in his fields of expertise as appropriate convincing elements.

†Part 5: Conclusion of the Audit and Report Function: In this section, only one NAA700 standard was issued under the heading of **Opinion and Audit Report of the Financial Statements**. It addresses the following ²⁶: The auditor's obligation to form an opinion on the financial statements. In addition to the form and content of the auditor's report, In accordance with the Algerian standards of auditing Led to the formulation of an unqualified opinion (which was expressed by the auditor when he concluded that the preparation of the financial statements in all significant respects was done in accordance with the applicable accounting authority).The addressee. Introductory paragraph Recall: Definition of the entity whose financial statements have been audited. Audited financial statements. Summary of the most important accounting methods used by the audited entity as well as information The closing date or periods given by each of the audited financial statements. In addition, an explanation of the responsibility of the social managers regarding the preparation of the financial statements in accordance with the applicable accounting authority, as well as the internal control necessary for the preparation of financial statements free of perceived imbalances, whether fraudulent or due to errors.

²² Decision No. 23 of 15 March 2017 of the Minister of Finance on Algerian Standards of Audit (570).

²³ Decision No. 002 of 04 February 2016 of the Minister of Finance on Algerian Standards of Audit (NAA580).

²⁴ Decision No. 23 of March 15, 2017 of the Minister of Finance on Algerian Standards of Audit (610).

²⁵ Decision No. 23 of March 15, 2017 of the Minister of Finance on Algerian Standards of Audit (NAA620).

²⁶ Decision N ° 150 of October 11, 2016 of the Minister of Finance on Algerian Standards of Audit (NAA700).

†Part 6: Implementation of the task: In this section, the following standards were issued:

* **NAA 230 Audit documents.** The nature and utility of audit documentation, preparation of audit documents in time, documentation of completed audit procedures and disguised elements obtained, significant events that occurred after the date of the auditor's report, formation of final audit file, protection, preservation and ownership of work files In addition to this.²⁷

* **NAA 501-Convincing elements-Special Considerations**²⁸: addresses the extent to which the auditor considers sufficient and appropriate convincing elements in accordance with the above 300 and 500 standards,

* **NAA 530 Audit soundness**²⁹: The scope of application of this standard means using the auditor's soundness in the audit to complete the audit procedures.

* **NAA540Audit of accounting estimates including accounting estimates of real value and related information**³⁰: addresses the auditor's duties related to accounting estimates including accounting estimates of real value and the information received in the audit of the financial statements.

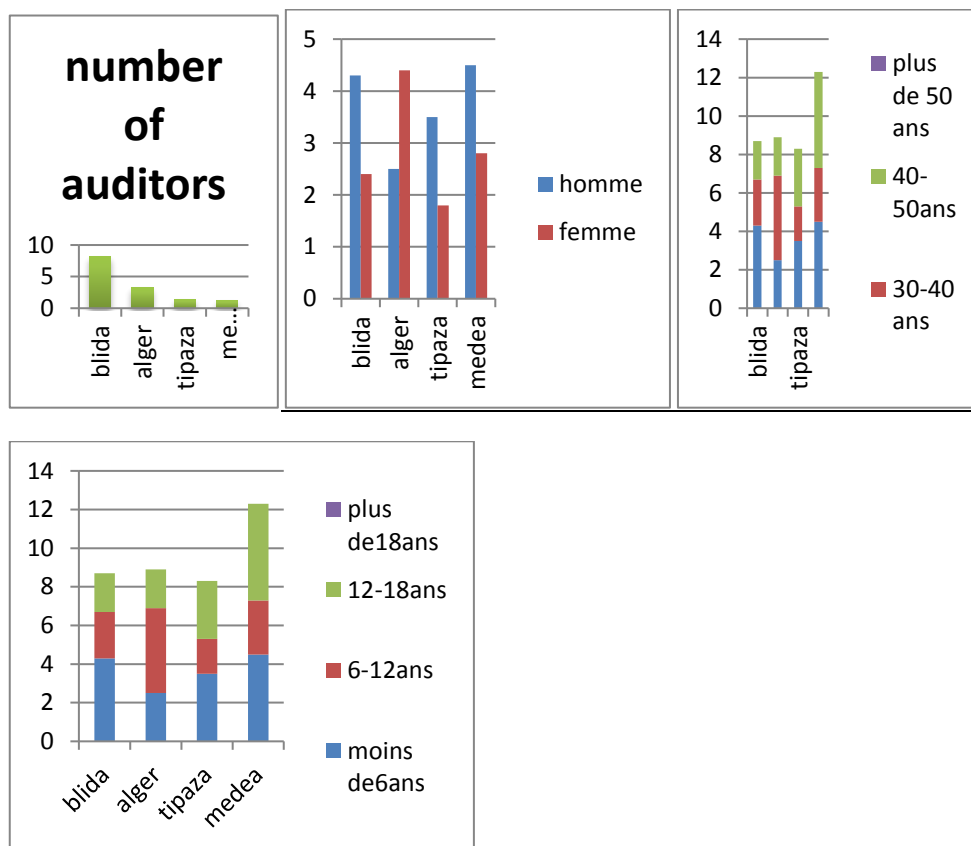
II– Methods and Materials: To reach objective results that meet the purpose of this study and achieve the desired objectives and due to the large size of the study society meaning the accountants in Algeria especially from the central region, we took a representative sample following specific conditions and we interviewed these individuals. The sample of the study is composed of a group of practicing accountants of the profession in central Algeria, namely in Blida, Tipaza, Algiers and Medea. With considerable experience in the practice profession, as most of them range from 12 to 18 years of experience (since they have witnessed several developments in the country, including accounting, auditing and collection). In addition to being accountants of large companies, they have an impact on the economic fabric, The national economy, but mainly those who are the accountants and writers and were members of the National Chamber of Governors, we recall: Mr. Mejubi Abdel Salam. The following graphs represent the number, sex, age and experience of the sample of the account holders under study:

²⁷ Decision No. 77 of 24 September 2018 issued by the Ministry of Finance, including the Algerian Auditing Standards No. 230, pp. 4-10

²⁸ Decision No. 77 of 24 September 2018 issued by the Ministry of Finance, which includes the Algerian Auditing Standards No. 501, pp. 10-14

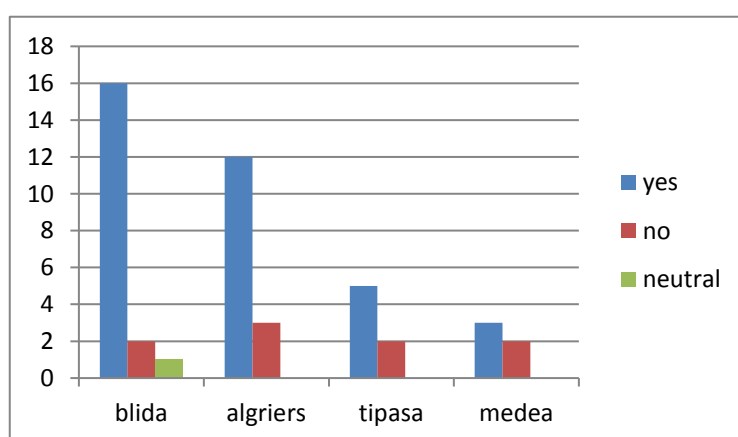
²⁹ Decision No. 77 of 24 September 2018 issued by the Ministry of Finance, which includes the Algerian Auditing Standards No. 501, pp. 15-18

³⁰ Decision No. 77 of 24 September 2018 issued by the Ministry of Finance, which includes the Algerian Auditing Standards No. 501, pp. 18-29



III- Results and discussion :Through the interview, we presented five important questions that were important to the study:

1- Do the auditors apply Algerian auditing standards while performing the audit function?



* As shown in the figure of the columns, most of the responses of the accountants in all the central states were: Yes they do apply, adding to that the governor of the accounts must be applied or else his work is flawed and deficient, which

serves the interests of some of the managers there must be a reference to work, **The application of these standards: is not 100% because The governor of the accounts finds himself in front of three cases:**

A- a case in which the standards are applied strictly and automatically

(because they are originally provided for by law or by legislation and decisions)

- **NAA 210 the provisions of the audit function:** is clearly shown in the mission acceptance letter.

- **NAA 300 -planning the financial statements to analyse them:**It includes the identification of the regulatory and legal framework of the Entity and how it conforms. Planning the audit function and developing a fundamental and intuitive program that will contribute to the success of the audit.

- **NAA500 Convincing Elements:** The accountants explain that they rely on elements that form the basis for their professional opinion of the information contained in the accounting for the preparation and submission of financial statements such as restrictions, basic accounting (balance sheet, ledger, journal ...) (Invoices, contracts, instruments, statement of conversion ...) which constitute a convincing element.

- **NAA 510 Initial Audit Functions - Opening Credits:** All have agreed to apply it as an accounting principle. This is in addition to examining the auditor's previous report on the financial statements, which gives them an overview of the institution.

- **NAA 560 events occurring after the closure of accounts** - subsequent events are also applied by accountants for accounting considerations before being adopted as an audit standard.

- **NAA 570 Continuity of exploitation:** This point can not be ignored. It is considered an accounting charge, according to the accountants. If this accounting is not available, there is no need for auditing and auditing, which is considered as a step after accounting.

- **NAA 610 - Use of the Internal Auditors' Work:** The accountants agreed that there is cooperation between them and the auditors of the auditing institutions. (They prohibit, when they are summoned, and try to explain to the account holders the necessary papers).

- **NAA 700 Establishing the Opinion and Audit Report for the Financial Statements:** This is the main objective of the audit process, unless there are cases of impediments such as the refusal of the auditing institution to submit the working papers to the accountants.

- **NAA 230 - Audit documents:** which addresses the nature and usefulness of audit documentation, preparation of audit documents in time, audit procedures documents completed and disguised elements obtained, significant events that occurred after the date of the auditor's report, formation of the final audit file, protection, preservation and ownership of work files. The accountants confirmed that this is not new, but many of the legal articles provided for this and they consider it mandatory and found it important to ensure the performance of their task to the fullest. For example, in the form of the final audit file should not delete or withdraw any element of the documents of any nature before the end of the specific time to ensure the confidentiality of the file completely. Manst in article

71 of the law 10-01 of professional confidentiality and the articles of articles 301 and 302 of the Penal Code.

- NAA 501 - Convincing Elements - Special Considerations³¹: This Standard addresses the extent to which the auditor considers sufficient and appropriate elements in accordance with Standard 300 and 500 as well as the other Algerian standards for auditing, in respect of specific aspects affecting stocks, Audit of financial statements.

- NAA 530 Audit soundness³²: The scope of application of this standard means that the auditor uses soundness in the audit to complete the audit procedures. The method of their statistical and non-statistical use to identify and select a sample, check for selection procedures, detailed reviews and evaluation of sounding results. The size of the sample, the identification of the elements to be chosen from the selection of the sampling method, and the development of audit procedures such as subjecting each selected element to audit procedures that are consistent with the objective.

B - The state of the criteria that the governor tries to apply but does not receive the response from the concerned party or rather is totally rejected and therefore does not apply the criterion because he does not reach his goal.

The main reason for this is the lack of cooperation between the departments and the accountants because the employees consider it as a means to expose them.

Among these criteria we find:

- NAA 505 External Confirmations: which deals with the use of the governor of the accounts for external confirmation procedures (which is an established evidence obtained through a written response directed to the auditor by third parties), so that most of the accountants confirmed that the parties requesting the confirmation do not answer at all Including banks, forcing the governor of accounts to sometimes send messages through the same customer to his own bank. we find also **NAA 540 Audit of accounting estimates including accounting estimates of real value and related information³³:** This standard addresses the auditor's duties related to accounting estimates including accounting estimates of real value and the information received in the audit of the financial statements. In individual accounting estimates and provide potential bias indicators introduced by management.

C- The state of standards that are not applied by the governor of accounts: The reason for this according to the sample of the study is that the size and complexity of the operations of the institution under scrutiny does not require this, and we find the following criteria:

³¹ Decision No. 77 of 24 September 2018 issued by the Ministry of Finance, which includes the Algerian Auditing Standards No. 501, p p. 10-14

³² Decision No. 77 of 24 September 2018 issued by the Ministry of Finance, which includes the Algerian Auditing Standards No. 501, pp. 15-18

³³ Decision No. 77 of 24 September 2018 issued by the Ministry of Finance, which includes the Algerian Auditing Standards No. 501, pp. 18-29

- **NAA 520 Analytical procedures:** The auditors pointed out that they refrain from carrying out analytical procedures, including the ratios of financial analysis, except in rare cases of dealing with banks. The accountants emphasized that their role focuses on verifying the legitimacy of accounting registration based on documents submitted by Institution audited Where they still have difficulty with the accountants of the institution who still do not apply the accounting reference adopted by Algeria in 2009, which is the financial accounting system. And we find **NAA 580 Written Statements and the NAA 620 Using the work of an expert appointed by the auditor:** According to the accountants at this point, the size of the accounting institutions and processes in them is not as complex as the use of other experts. It is difficult for one accountant, The documents are present at the summons because they consider the governor of accounts as their only detector. • The answers that were: in all cases, they are not applied. they attributed the reason that the governor of accounts must be sufficiently knowledgeable and aware of the standards issued, and that it only applies the international auditing standards, which are considered as a reference work even for Algerian standards because they are inspired by it.

2- What are the strengths (positive points) in applying Algerian auditing standards?

* By asking this question we get the following answers according to the governors:

- The application of the Algerian auditing standards requires the auditor to be more stringent with the audited institutions (especially when applying standards 505 and 580), which will increase the management's accountability.
- Differentiated responsibilities in the organizational structure of the audited institution (no evasion).
- According to many professionals, the application of the standards ensures that their work is standardized, and that their orientation is optimized.
- There is a reference to the report.
- According to one of auditor selected in the sample of the study, Mr. Bazghi Mourad³⁴, who has experience in practicing the profession more than 18 years, the Algerian standards of auditing came in many positive points, including structuring the file of the work of the governor of accounts, in addition to the steps to carry out the audit, which has become structured.
- Increase transparency in the financial and accounting situation by increasing accounting disclosure because each of its responsibilities in the performance of its functions.
- In addition to one of the accountants, Mr. Majubi Abdel Salam³⁵, who was a member of the National Chamber of Governors (coming from Algiers), which

³⁴ Bazghi Murad is an accountant, accounting expert and judicial expert from Blida province who has over 18 years of experience.

³⁵ Majubi Abdel Salam, accounting expert and accountant from the state of Algeria, former member of the National Accounting Council, author, and pioneer in research.

witnessed the birth of Algerian standards, he pointed out that the latter came to provide the accountants with a unified working authority.

3- What are the points to be improved (negative points) when applying Algerian auditing standards?

* From the point of view of the accountants of central Algeria, the application of the Algerian auditing standards in full increased in a certain way from the evasion of the institutions of accounting disclosure and submission of papers to the governor of accounts when requested only in certain cases, which affect the collection of the institution or the status of its storage. In addition to the existence of legal spaces that allow tax evasion and current standards do not help fill this void well. Others added that the current standards are not in line with the current economic reality, and their implementation does not provide the desired results, so they must be updated in line with the international standards that are considered the pioneer. In this question, Al-Bazghi added that the Algerian auditing standards are compatible with the offices of the big accountants (which have large institutions), which reflect the situation of Algeria, where the economic fabric is composed of small and medium enterprises. .

4- In the case of the application of the auditors to the Algerian auditing standards, what is required to perform the audit function?

As a further question we wanted to clarify the reality of the application of these criteria and the alternative on which the Governor of the accounts relies in the performance of his task, most of the governors of accounts confirmed that it is necessary to apply these standards because it is considered a means of protection and determine its responsibilities, but although the review in Algeria has evolved in theory, but that In their view, there are many accountants who believe that it is important for him to have an in-depth knowledge of accounting principles . In addition to being able to apply the accounting authority, most of them are satisfied with checking the accounting records according to the founding documents The internal control system is not very important, as a rule for them, and as a principle of understanding, they rely on the accounting principles, principles and evaluation rules of the accounting authority, the accounting system. Some of them depend on experience or on French standards.

5- What are the difficulties in applying the Algerian auditing standards according to the governor of the accounts?

* We raised the problem of the reality of the application of the Algerian auditing standards and it is necessary to know the obstacles that prevent it to find the most appropriate solutions, according to the accountants from the center: the most important difficulties are as follows:

- Lack of communication between the governor of the accounts and the management of the institution. And the absence of correspondence.
- Failure to receive work documents from the administration often evades, refuses or delays, which hinders the work process due to the difficulty of accessing the information.

- The accounting registration in respect of the recognition and evaluation rules applied in the Algerian institutions is not in line with the financial accounting system, which impairs the work of the governor of accounts who is supposed to be a neutral and independent person, as mentioned above, is not entitled to intervene or correction
- The trichery of some managers.
- Absence of accounting and taxpayer culture The corporation's owners are still tax evasion and avoid comprehensive accounting disclosure, which makes them hide and hide information about the accounts (because they consider it came to reveal them) and the Tax Authority.
- Lack of political will to activate the implementation of these standards.
- The ignorance of the owners, managers of the role of the governor of accounts that his neutral technical opinion is necessary to raise the performance of the institution, but for them is an employee of the institution and they are only care to provide his material fees (is a financial burden).
- The managers and owners of the institution ignored the answer to the questionnaires and examined the opinions submitted by the governor.
- Even unfair competition prevents the application of audit standards, in addition to pre-defined fees and a book of burdens.
- Dependence of the Ministry of Finance loses the profession its objectives which doesn't have independent bodies so it is a kind of bureaucracy The National Accounting Council is not independent and is a follower and for some of the accountants that it is supposed to be affiliated to the Ministry of Justice.
- Incompatibility with some corporate cases.

IV- Conclusion: Those were the most important direct questions to the governors of the accounts in the framework of the study, and from the answers of the governors of accounts, which are mostly contained in a single container, we find: The development of the reality of the profession of auditing in the Algerian business environment, must be the reality of what is considered and the profession shouldn't be developing just in theory leaving a gap and void in the ground because the objective of the Algerian auditing standards is to establish an orderly framework for practicing the profession and following these standards and applying them will increase the cost effectiveness of the auditing profession because it is considered as an accounting control tool.

At the moment, there are many errors regarding the rules of assessment, recognition and registration of the financial accounting system, which hinders the auditing profession because the accounting precedes the audit. The registration precedes the verification of the validity and legality of the registration. .

The governor's report must be included and used in the public assemblies as a catalyst for recognizing the good performance of the team. In addition, if the account of the governor is clean and neat it will open the door for Investors in the institution as well as increasing the granting of loans from the concerned authorities. It is necessary to establish a monitoring and follow-up body to the

accountants, which ensures that the accountants do not collude because the labor market has become distorted, to ensure the application of the ethics and standards of the profession. With the need to emphasize the application of deterrent sanctions (Attempting to issue new auditing standards that are in line with the reality of the business environment and avoid adopting purely international standards without taking into consideration their compatibility with the Algerian environment.)

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[16] drawing on documents and information from a personal interview with a group of accountants in four states: algiers, blida, tipaza, medea.

[17] bazghi murad is an accountant, accounting expert and judicial expert from blida province who has more than 18 years of experience.

[18] magobi abdel salam, an accounting expert and accountant from the state of algeria, a former member of the national accounting council, author, and pioneer in research.