The Impact of the internet financial reporting (IFR) on the Duties and Qualification of Auditor in Algeria

أثر الإفصاح الإلكتروني على مهام وتأهيل مدقق الحسابات في الجزائر

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Abstract: This study aims to clarify the hindrances and challenges that may hinder and threaten the Algerian auditors while auditing financial reporting and related information published over companies' websites, and investigate the impact of these hindrances on the responsibility and professional care of auditor, and his qualifications. To achieve these objectives we have relied upon a descriptive approach by taking into consideration what it was written about the research question in books and analyzing the results were reached by previous studies. The findings show that the internet financial reporting (IFR) affects the responsibility of the auditor throw the expanding of the areas of his interventions and raising the volume of professional care must he provide. Furthermore, the impact of the internet features on the scientific and practical qualifications of the auditor as he became required to obtain particular kinds of training on IT and the internet technologies. The study recommended the significant of adapting

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the accounting law and auditing standards in Algeria with features of the internet financial reporting (IFR) and improve the auditors' qualification on IT and the internet.

Keywords: internet financial reporting (IFR), e-disclosure, web-based reporting.

Jel Classification Codes: M42 ; L86.

مستخلص : تهدف هذه الدراسة للتعريف بالمعوقات والتحديات التي قد يواجهها مدقق الحسابات في الجزائر عند تدقيقه محتوى الإفصاح الإلكتروني في حالة تنفيذ عملية التدقيق لصالح شركة تعتمد على الانترنت للإفصاح عن قوائمها المالية والمعلومات المكملة لها، كما تهدف لتبيان أثر هذه المعوقات على التأهيل العلمي والعملي لمدقق الحسابات. لتحقيق أهداف الدراسة اعتمدنا على المنهج الوصفي من خلال الأخذ بعين الاعتبار ما كتب حول إشكالية البحث في الكتب وتحليل النتائج التي توصلت إليها الدراسات السابقة التي تناولت نفس الموضوع. وقد خلصت الدراسة لنتائج تبين أن الإفصاح الإلكتروني أثر على مسئولية المدقق، فقد توسعت مجالات تدخله وارتفعت درجة العناية المهنية الواجب عليه توفيرها، كما أثر على شروط التأهيل الواجب أن يستوفيها إذ أصبح مطالب بتأهيل النفس بأدبيات تكنولوجيا المعلومات بصفة عامة وشبكة الانترنت بصفة خاصة. وأوصت الدراسة بأهمية تكييف التشريع المحاسبي ومعايير التدقيق في الجزائر مع خصائص الإفصاح الإلكتروني، وتأهيل المدققين بأدبيات تكنولوجيا المعلومات وخصائص شبكة الإنترنت.

الكلمات المفتاحية : الإفصاح الإلكتروني، الإفصاح المالي عبر الإنترنت، الإفصاح عبر الويب.

تصنيف JEL : M42، L86

1. Introduction

In the few past years, companies were relying on paper to report their financial statements, by printing and distributing them to the shareholders and some users that may be interested in their accounting information. With the fast and attractive development of the Internet and the growing of its using, especially in the field of business and because the paper-based annual reports are less useful now in terms of timeliness and reliability as the world is highly reliant on information and communication technologies (Azli Ali Khan et al., 2017, p. 146), many companies around the world including Algerian companies headed towards the adoption of electronic disclosure or the internet financial reporting (IFR) to reach to the most possible of the accounting information users all over the world (Doaa Abd El Rehim, 2008), by using their own websites or other related specialized websites as a tool of a communication to publish their financial statements and some attached reports such as the auditor report and board of directors' report. Many companies are motivated to practice the internet financial reporting (IFR) to meet users' needs for more timely information (Azli Ali Khan et al., 2017, p. 146), it helps users to obtain the access to the companies' websites and extract the financial information at any time and from anywhere. Moreover, (IFR) reduces the cost and efforts of manual distribution of financial statements, and provides the opportunity to a wide group of users; in particular, the potential shareholders who have no current relationship with the company.

After the shift of financial disclosure from the paper-based nature to the digital nature on the Internet, it has become have many characterizes that may make the achievement of its objective so complicated due to the hindrances of in order to meet users' need for more relevant and reliable information and in a timelier manner (M.G. Amin & K.A. Mohamed, 2012, p. 277); Such as the continuous updating and changes of the content of disclosure over the companies' websites and the combination of audited and unaudited information at the same publishing, also the likelihood of unreliability and incredibility of information disclosed over websites for non-conformity with information disclosed on paper and the risk of hackers.

All these obstacles may make the mission of auditor more difficult, He may find himself obliged to face and deal these developments and obstacles by developing his tools and improving his scientific and practical qualifications with the new characteristics of the internet financial reporting (IFR).

On the light of the above, the objective of this research paper is to explore the Characteristics of the internet financial reporting (IFR) and its hindrances they may the Algerian auditor face them while auditing financial reporting and related information published on the internet, and clarify the impact of these hindrances on his responsibilities and qualifications.

This study derives its importance from the extent of Beneficiaries from its results. We hope that the first beneficiary will be the Algerian legislature to perceive the importance of release additional legislative texts to fill the gap between auditing practices and the Internet, especially when he tried in 2009 to treat the relationship between auditing and information technology (IT) by release (Decree.Executive, n°110-09, 2009). The second will be the second will be the National Accounting Council, which began to adopt the Algerian standards for auditing since 2015, and the subject of this research paper may provide beneficial insights and recommendations for him to issue professional standards adapted with the internet financial reporting (IFR). The auditor in Algeria can be the third beneficiary, because this paper studies the hindrances that each auditor may face while he is auditing the content of e-disclosure, thus the results can help him to know these hindrances and try to reduce their impact.

The rest of this paper is structured as follows ; a review of the relevant literature is provided in Section tow, this is followed by section three for discussing the background and theory of nature and characterizes of the internet financial reporting (IFR), section four provided analyses and discussions of the most hindrances that may the auditor may face, especially in Algeria.

2. Literature review

To find out the latest contributions and extract the research gap from previous studies that have examined and analyzed the relationship between the internet financial reporting (IFR) and auditing, we have surveyed the published and unpublished studies within 10 years ago either in Arabic or in English, as follows:

The first one was the study of (Azli Ali Khan et al., 2017) entitled “empirical research of users’ opinions on selected aspects in internet financial reporting”, this study aimed to investigate the perceptions of users of corporate annual reports in relation to selected aspects of internet financial reporting, also to analyze Web usage and Web content analytics to discover financial and non-financial usage and content patterns from companies' websites and other sources of internet. To accomplish these objectives, a questionnaire was designed and distributed to 308 respondents from five user groups (academics, students, managers, bank officers and auditors). Overall, the findings of this study indicate that there are three major benefits for users who extract financial information of companies via their website as follow: increases timeliness and efficiency in obtaining financial information, makes investment decision process easier and faster, and provides information about a company inexpensively. On the other hand, the findings showed that the Internet financial reporting (IFR) has many challenges and obstacles such as information security problems, and cost and expertise of placing financial information on the internet.

The second study was the study of (Ojah & Mokoaleli-Mokoteli, 2012) under the title of “Internet financial reporting, infrastructures and corporate governance: An international analysis”, it aimed to analyze the macro-environmental determinants of the Internet financial reporting (IFR) within the context of corporate governance models. This study used a panel of 44 developed and developing countries, it obtain data about the macro-environmental determinants of the Internet financial reporting (IFR) from The sample is comprised of listed firms from 12 developed market economies and 32 emerging market economies. The findings showed in this study that Both physical and institutional infrastructures are important determinants of a country’s adoption of the Internet financial reporting (IFR), where these infrastructures combine with (IFR) to enhance transparency and market efficiency, they also contribute to the debate on harmonization of international financial reporting (IFRS) by showing that requisite environmental infrastructures are a precondition for the success of any reporting system. We have observed that this study focused just on the advantages of the Internet financial reporting (IFR), but it didn’t examine neither the challenges nor the disadvantages which face the corporate governance when the companies choice to disclose their financial information over websites.

The study conducted by (M.G. Amin & K.A. Mohamed, 2012) entitled “internet financial reporting, quality of information and auditor’s responsibility in Egypt” was the third one, it seeks to identify the challenges facing the quality of financial information disclosed relying the internet financial reporting (IFR) environment and its implications on the auditor's responsibility in Egypt and examines the perceptions of auditors regarding these challenges and the way they view auditors' responsibility in the internet financial reporting (IFR) environment. A questionnaire was developed to accomplish the research aims, it was distributed on sample of 96 external auditors working for the Big 4 audit firms and other large local audit firms operating in the Egyptian market, the researchers justified their selected respondents because as they are responsible for auditing the majority of top listed companies in Egypt that are more likely to have websites. The results of this study indicated that the internet financial reporting (IFR) environment affects the main qualitative characteristics (understandability, relevance, reliability, and comparability) of financial information, they believe that the internet financial reporting (IFR) environment enhance the understandability of the financial information disclosed aver companies' websites, however, it create challenges that cause the other three qualitative characteristics of information to be threatened.

The study of (Ibrahim Rachid, 2011) was the fourth study, which entitled "The Role of Auditor to Ensure the Trust on the Accounting Data Disclosed on the Internet in the E-Commerce Environment (In Arabic)", the researcher in this study aimed to explore the duties of the auditor for trusting the accounting information disclosed over companies' websites on the Internet and clarify the most recent services he has to provide in the E-commerce environment. A descriptive approach was used in this study when the researcher relied on the literature review and what it wrote about the subject in the prior related studies, he didn't use a field study for a particular country neither to support and justify his results nor to disseminate them, when he found that the auditor became responsible to provide continuous audit, Web

Trust, and Sys Trust as new assurance services to reduce the gap of trust in the e-commerce environment for new category other than shareholders.

The fifth study was the study of (Ibrahim Mahmoud & Azize Mahdi, 2010) under the title of “The Role and responsibility of Auditor in Iraq Towards the Digital Disclosure of Financial Reporting (In Arabic)”, it aimed at shedding light on the internet financial reporting (IFR) and its effect on the job of auditing and accounting, it also aimed to show the extent to which the observers of auditor are aware of their duties towards this kind of disclosure and to test the effect of some environment factors on the level of this awareness. To serve this purpose the researchers collected a field data by designing a questionnaire and give it to a sample of 40 certified accountants in Iraq. The main results which the researchers have reached show that the internet financial reporting (IFR) has many technical problems as well as the risk of the incredibility of accounting information disclosed over companies’ websites, thus it complicated the auditor duties and responsibility due to the lack of confidence in this information by users. furthermore, the study found that the role and the responsibility of the auditor have expanded significantly, most of these new responsibilities are technical, such as cybersecurity, the necessary for auditing every information updated, also the results indicated that the auditors' perception about the new responsibilities is high theoretical however is low in reality.

The last study was a PhD thesis entitled “Assessing the Development of Voluntary Internet Financial Reporting and Disclosure in Egypt” prepared by (Doaa Abd El Rehim, 2008), which had several objectives, including the identifying the extent of the internet financial reporting (IFR) in Egypt, exploring the major factors which influence Egyptian listed companies to voluntarily adopt the internet financial reporting (IFR), furthermore evaluating the effectiveness of voluntary internet financial reporting (IFR) to selected groups of users, and clarifying the role of Investor Relations and auditors regarding the internet financial reporting (IFR) and their functions or procedures are affected. To accomplish the above aims, a semi-structured questionnaire was designed to conduct interviews with 04 auditors from the Big Four accounting firms in Egypt, this sample is very small however the researcher justified each auditor gave his company’s opinion not his own opinion and the most of Egyptian companies that adopt the internet financial reporting (IFR) are audited by these the Big Four accounting firms. The findings of this study revealed that the auditor in Egypt has no responsibility regarding the internet financial reporting (IFR), and he doesn’t provide any assurance services either continuous audit, Web Trust or Sys Trust.

3. Background and theory of the internet financial reporting (IFR)

According to (Ibrahim Mahmoud & Azize Mahdi, 2010, p. 89) the internet financial reporting (IFR) is the publication of accounting information and financial statements over companies’ website and related websites on the internet, so the role of this kind of disclosure is to present and publish the outputs of the accounting information system and it has no role in establishing this information. Also, the internet financial reporting (IFR) is defined as the publication of the financial statements and attached financial and non-financial information whether annual or interim such as the auditor's report, by using the computer to prepare and store them, then use the telecommunication systems and the internet to deliver and publish them over companies' websites or link them with other official websites or both of two (Ibrahim Rachid, 2011, p. 178).

Furthermore, the internet financial reporting (IFR) is the public reporting of operating and financial data by a business enterprise via the world wide web or related Internet - based communications medium (Lymer, 1999, p. 2). Additionally, we can say this company provids the internet financial reporting (IFR) when it discloses over its website a comprehensive set of financial statements and auditors’ report or when there is a link to its annual report elsewhere on the internet or when there is a link to the stock exchange (Doaa Abd El Rehim, 2008, pp. 23 - 24)

All above previous definitions did not specify whether the information disclosed via the internet is voluntary or compulsory, mandated via the rules and regulations on what is to be included in the paper-based annual or interim reports (Doaa Abd El Rehim, 2008, p. 24). The answer is not absolute in general, It depends according to the standards and legislation of each country and according to the size of the company and its activity nature. We can find it voluntary for many companies in different countries such as Algeria; otherwise, we find it mandatory for listed companies in several other countries, such as the USA since 1996, the UK since 2002 and Austria since 2000.

on the light of the above, we can conclude a comprehensive definition of the internet financial reporting (IFR), It is the publication of the financial statements, whether annual or interim, and other attached information over the company's website or any official websites on the Internet, either mandatory or voluntary according to the legislations, and support this publication with complementary information (videos, statistics, charts) or link the company's website to other websites that provide relevant information such as the websites of the stock exchange and the tax authorities. So, the company applies the internet financial reporting (IFR) when it provides the following items and tools over its website or over other relevant websites:

- A full set of annual mandatory financial statements (balance sheet, income statement, cash flows statement, statement of changes in owners' Equity and notes), furthermore the auditor’s report which provides a reasonable assurance about whether the financial statements are free of material misstatements due to error or fraud (Enget, Saucedo, & Wright, 2016, p. 11) ;
- The interim financial statements as defined in (IAS 34, Interim Financial Reporting) ;
- Non-financial information about the company (inventory situation, comparative statistics with associate companies or competitors, market share and the future investments etc.) ;
- Descriptive information, for instance : description of the products and services of the company, the members of the board of directors and their CVs, the means of communication that allow the users to communicate with the company, share prices, and the press releases about the company ;
- Hyperlinks which help the user of the company's website to find additional information disclosed by reach other related information, whether over the same website or over other official sites (Doaa Abd El Rehim, 2008, p. 24).

In the early 1990s, companies were preparing their financial statements as a paper-based reporting, then copying them on CDs to distribute them in the same way as paper-based financial statements, by mail them after identifying accounting information users' addresses (Zine, 2014, p. 167). After the emergence of the WWW (World Wide Web) technology in 1992 (Deshmukh, 2005, p. 05), the use of the Internet in general and particularly by companies were rising, which they have launched to use their own website as a mean of financial disclosure. And the tools that have used to publish their financial reporting were developed through three major phases (Nel, 2004, p. 02), as following :

3.1. The Electronic Papers

In this stage, the companies have duplicated the printed financial statements on different electronic paper (Nel, 2004, p. 02) [e.g. Adobe's Acrobat Portable Document File (PDF), Microsoft Word, Excel, and PowerPoint]. Then they publish them over their own website or other valued websites as attached files. This method has many advantages as summarized in following (Nel, 2004, p. 03) ; when the file is printed from the company's website it looks exactly like the printed document on which it was based and it is very easy to create from original document (Nel, 2004, p. 02). Furthermore, the document cannot be inadvertently altered by users and would appeal to users since it is easy to print and save, and all information is normally available in one file (Nel, 2004, p. 05).

Although all these advantages, the electronic papers have many disadvantages at the same time; the hyperlinks can be out of PDF files, but cannot hyperlink into specific points inside a PDF file, It is difficult to read and navigate through PDF files on a computer screen, acrobat files are relatively large and need to be downloaded, requires Adobe Acrobat Reader plug-in that the user must install, reader is based on a proprietary format and is currently free, but may not be free forever (Nel, 2004, p. 03). Moreover, these electronic formats don't provide information ready for use and analysis directly by users; therefore, they need to re-enter it for financial analysis or other purposes (Ibrahim Mahmoud & Azize Mahdi, 2010, p. 91). Additionally, the information in PDF files is not indexed by search engines, and Plug-ins can be a security risk, since they execute automatically when users select PDF file (Nel, 2004, p. 03). Because of the prior disadvantages, the electronic papers is static tools and non-interactive with the needs of users, but they would probably prefer them due to their little of computer literacy.

3.2. Hypertext Mark-up Language (HTML)

HTML (Hyper Text Markup Language) is a language for specifying how text and graphics appear on a web page (Mancoridis, p. 02) (design, color, size and other forms of multimedia), and it is a textual language that includes special markup tags (Mancoridis, p. 03) to inform a web browser about how the content contained within an HTML file is structured (Rouse, 2018). So, the hyper text markup language is the building block for websites pages. This language has many advantages and benefits for both the company and the accounting information users unlike the electronic papers such as ; the easiness to hyperlink into and out of HTML pages, can be viewed directly in any browser – requires no plug-in and it is an open formatting standard (Nel, 2004, p. 03).

At the same time, the HTML language has disadvantages. It is just a textual language, its role is to display and describe the content of the website and doesn't provide the exchange data process, and it is inefficient to keep the financial statements look exactly like the printed document on which it was based (Ibrahim Mahmoud & Azize Mahdi, 2010, p. 92). Furthermore, the document in HTML format which printed from the browser will probably not look like the original document because the browser may split tables and pages of the native document (Nel, 2004, p. 03), and the convert of the original document to HTML document may require significant work in terms of layout and design, and it needs an expert or a professional in the internet technologies. Additionally, the HTML data cannot be exported to other software due it is just a textual language; users can copy or paste the data to certain software packages, for example Microsoft Excel, for analysis and other purposes (Nel, 2004, p. 03).

3.3. The Extensible Business Reporting Language (XBRL)

The start of XBRL can be traced back to April 1998, when a certified public accountant named Charles Hoffman began to develop prototypes for financial reporting using XML (Extensible Markup Language) with the supported and the funded of AICPA (Murugan, Anandarajan, & Srinivasan, 2004, p. 75). In June 1999 Hoffman and his team created a business plan for XML-based financial statements called XFRML (Extensible Financial Reporting Markup Language), later in the year; they change the name to XBRL since business reporting covers a broader range of reports than financial reporting (Murugan, Anandarajan, & Srinivasan, 2004, p. 75). The IFRSF (International Financial Reporting Standards Foundation) has interested about the XBRL language, The IFRS (International Financial Reporting Standards Foundation) has interested in the XBRL language, which it has adopted the XBRL as an international electronic language in parallel with its standards. Therefore, it has defined it in the IFRS taxonomy dictionary as a standard used to exchange information and communicate between companies and users to provide a common electronic format for the financial statements (IFRSFoundation, 2015, p. 04). Furthermore, the official website of XBRL international organization considers that the change from paper, PDF and HTML based reports to XBRL ones is a little bit like the change from film photography to digital photography, or from paper maps to digital maps (XBRL, 2018).

XBRL relies on a simple idea. Rather than treating financial reporting as a block of text as in a printed or an electronic document, XBRL one of a family of “extensible” tagged computer languages, allows companies to use common “tags” to identify individual reporting concepts that exist in a corporate report (Gunn, 2007, p. 36). The “tags” in XBRL relate to individual concepts inside a report, allowing a single, well-understood definition to be available for, and attach to, an individual piece of information that is readable by computers (Gunn, 2007, p. 40). Algeria has not adopted the XBRL language yet, and it doesn't have any project to adopt it. Thereby, the impact of XBRL on auditor in Algeria is out of the range of our study.

4. Hindrances of the internet financial reporting (IFR) from auditor's perspective

There are many advantages of the internet financial reporting (IFR) such as it reduces the cost of distributing information because the company can avoid the printing and distribution costs associated with mailing paper-based reports to stakeholders (Doaa Abd El Rehim, 2008, p. 24). Moreover, the time needed to print and mail the reports is saved thus the internet increases the timeliness of accounting information, which means that the information will be disclosed before it loses its capacity to influence the decision makers. Additionally, the internet financial reporting (IFR) makes the financial information accessible by a wider audience because the internet can be accessed anywhere in the world (Doaa Abd El Rehim, 2008, p. 25). Furthermore, (Shan & Troshani, 2014, p. 12) argued that the internet financial reporting (IFR) and the XBRL enhance the transparency of financial statements which in turn facilitates auditing processes. Additionally, because XBRL facilities information gathering and processing, audit risks are likely to be decreased potentially resulting in lower audit costs which are manifested as lower audit fees.

Although, the internet financial reporting (IFR) has many challenges and disadvantages from the perspective of the auditor, which complicate his duties and make him obliged to update and enhance his qualifications. The main of these obstacles and their impact on the auditor are identified and discussed in the following sections :

4.1. The reliability of the internet financial reporting (IFR)

In the case of paper-based reporting, companies present their financial statements in a full manner as a whole report, which makes the changing of any information after it arrives to users is impossible. However, in the internet financial reporting (IFR), the company can publish just summary financial statements or a part of them including some paragraphs from the auditor's report, on the basis that this summary represents all the financial statements, to hide the misstatements in the financial reporting and the modified opinion of the auditor (Doaa Abd El Rehim, 2008, p. 27). The incomplete financial statements may negatively affect the information users; due they will use this financial information to make decisions about the company. This risk obliges the auditor to certify that these summaries are fair and accurate because this creates a potentially misleading situation for the user of these summary financial statements (Lymer & Debreceny, 2003, p. 108). Therefore, the auditor may face a change in the roles and the duties that may be required of him (Lymer & Debreceny, 2003, p. 108).

On the other hand, companies may present over internet financial statements more detailed than the native paper-based statements, which certified by the auditor. In this case, the auditor is obliged to verify these details (videos, charts, statistics, links etc.) (Ibrahim Rachid, 2011, p. 188) And to obtain reasonable assurance whether the financial statements are free from material misstatement due the error or fraud, or he has to oblige the company to separate between audited and unaudited information. This situation creates new duties with new IT qualification. In Algeria there is no legislation organize the internet financial reporting (IFR) and determine the auditor's responsibility for the details and the attached information related to the mandatory financial statements, so the environment that the auditor in Algeria works within is not defined.

4.2. The change of the website and the update of the financial reporting

The companies sometimes change their websites which use them for the internet financial reporting (IFR), especially when they use other websites than their own websites. The companies sometimes change their websites which use them for the internet financial reporting (IFR), especially when they use other websites than their own websites. Thus, the information disclosed may be different from a website to another one; this creates a potentially misleading situation for the user of this information (Lymer & Debreceny, 2003, p. 108), because they think that this information has already been audited by the auditor (Hachem, Khalil, & Nazem, 2007, p. 09). Therefore, the auditor must indicate in his report to all the websites that they are used by the company and he has already viewed them and audited their content. These new duties oblige the auditor to follow all the company's websites periodically, and that may create hindrances for him in terms of the audit process time, efforts and the cost.

On the other hand, the company may use just its own website, but it updates the content of this website continuously by adding new information or deleting or modifying others due it obliged to give the users the latest information to help them for making good decisions in the right timeliness. In this case, the auditor may face new obstacles and his responsibility will be expanded, because the users may be confused (Allam & Andrew, 2003, p. 176), they think that the updated financial reporting was audited and certified by the auditor. (Hachem, Khalil, & Nazem, 2007, p. 09). The main question we should ask here is that what weight should be given to an auditor’s report date when documents on the web can be changed? (Lymer

& Debreceny, 2003, p. 108), and when does the auditor's responsibility end? The main question we should ask here is that what weight should be given to an auditor’s report date when documents on the web can be changed? And when does the auditor's responsibility end? These questions stay correct and important in the case of Algeria because there is no legislation which determines the final date of the auditor's responsibility for the updated financial reporting over companies' websites.

4.3. The range of the financial reporting in multiple languages

The objective of the financial reporting is to submit the accounting information to a large range of users, whether inside the country of the company or abroad. There are many users unknown to the company such as potential investor and financial analysts; when these users depend upon when making investment and other decisions on this financial reporting (Allam & Andrew, 2003, p. 177) if it has material misstatements contrary to the auditor report, the auditor will be held accountable by these users because the information provided within annual reports is usually accepted as being more reliable when the auditor has audited it (Allam & Andrew, 2003, p. 177). So the auditor should take care of all the information published over the company's website.

The companies to be able reach the users abroad they translate its financial reporting on the internet to several languages especially English, the use of English can be explained by companies’ wish to be global (Doaa Abd El Rehim, 2008, p. 391). In this case, the auditor is obliged to ensure that the translated financial reporting is free of material misstatements compared with the financial reporting in the native language. Furthermore, The auditor will be obliged to establish his report in several languages especially the English language, that needs new language qualifications for the auditor (Ibrahim Mahmoud & Azize Mahdi, 2010, p. 96).

4.4. WebTrust

It is not enough that the internet financial reporting (IFR) is reliable to benefit its users. However, the information should always be available for users whenever they need them, and it should be protected from the unauthorized modifying by parties inside the company or external such as hackers. The responsible on the website security is the company, not the auditor. However, there are new trends that require him to provide new services other than his traditional services to assurance to financial-report users that a company’s the internet financial reporting (IFR) meet certain criteria, such as explicitly labelling, or prohibiting, direct links between audited and unaudited information (Allam & Andrew, 2003, p. 178), similar to WebTrust established by the AICPA and the Canadian Institute of Chartered Accountants (Allam & Andrew, 2003, p. 178).

WebTrust was developed in 1997 by the AICPA to provide assurance for e-commerce; It is considered a means for e-commerce businesses to indicate that their practices and policies, as stated in their advertising, have been attested to by an auditor. In a WebTrust engagement, an auditor examines three areas of a company's website: business practice disclosures, transaction integrity, and information protection (Doaa Abd El Rehim, 2008, p. 98). In the case that the Auditor in Algeria will be obliged to provide services similar to WebTrust, may face many hindrances in terms of the qualification required to provide this new assurance service or in terms of the additional complicated duties.

4.5. The information security related to the auditor's report

The auditor’s report is an important source of credibility and reliability for annual reports (Allam & Andrew, 2003, p. 183). Thereby, Thereby, the companies publish this report over the internet in parallel with financial statements. Because the report is in digital format on over the website, it is at risk of modifying without leaving any trace. Moreover, other companies tended to omit the audit reports from their websites because of receiving unmodified audit reports from the auditor (M.G. Amin & K.A. Mohamed, 2012, p. 279), or publish a fake report by copying the auditor's signature using a scanned image of the signature, or provide un-signed report (Allam & Andrew, 2003, p. 183).

Therefore, we find that (Allam & Andrew, 2003, p. 183) discussed the following issue "Should the web-based auditor’s report reside at the auditor’s or the client’s website?" (Allam & Andrew, 2003, p. 183). We conclude that the auditor is obliged to emphasize the reliability of his report; one of the most efficient means is to oblige the company to link the report to the relevant auditors’ web site (Lymer & Debreceny, 2003, p. 108). Moreover, using the internet can result in additional challenges to the auditor as the disclosure of near real-time information is now possible over the companies’ websites. However, the availability of such type of information can threaten the reliability of information if it is disclosed without being audited. Therefore, users can rely on this information by mistakenly believing that the information was covered by the audit report (M.G. Amin & K.A. Mohamed, 2012, p. 279). Thus, auditors should be responsible for checking the consistency between his paper-based report and that published on the company’s website. Similarly, he can use the digital signature to protect his report (Allam & Andrew, 2003, p. 183), because among the advantages associated with digital signatures are authentication, data integrity (i.e. the electronically delivered message has not been changed, either accidentally or maliciously) (Allam & Andrew, 2003, p. 183).

All these additional duties and responsibilities may result hindrances to the auditor in Algeria, he will be obliged to qualify himself in internet technology and digital signature. At the same time the audit process will be more charged due the auditor should have an own website. Additionally, there is no legislation in Algeria that determines the responsibility of the auditor regarding to the reliability of the audit report or the timing limitation of this responsibility when documents on the web can be changed any time.

4.6. Hyperlinks

Financial and nonfinancial information, corporate and non-corporate information, audited and unaudited information will be linked together in complicated ways. Therefore, the effectiveness of auditing will be impaired and the value of the audit report will be reduced, as users will not be able to know whether they are examining audited information or not (Doaa Abd El Rehim, 2008, p. 97). Hyperlinks are considered to be a source for more risk by incorporating the information at another site linked into the company’s own disclosures (Allam & Andrew, 2003, p. 176). Thereby, they can lead to some fraud cases that can result from hyper-linking audited financial information indicating poor performance for the company to other unaudited information indicating good performance, and vice versa. Therefore, hyper-linking audited financial statements to unaudited ones by using hyperlinks can potentially mislead users (M.G. Amin & K.A. Mohamed, 2012, p. 279). If the Algerian companies will be using the hyperlinks within their internet financial reporting (IFR), the auditor will be needed to a legislation that clarifies his responsibility regarding the hyperlinks.

5. Conclusion

This study aimed to clarify the hindrances and challenges they may hinder and threaten the Algerian auditors while auditing financial reporting and related information published over companies' websites, and investigate the impact of these hindrances on the responsibility and professional care of auditor, and his qualifications. The major result of the study showed that the changing the medium of the communication from the paper-based financial reporting to the internet will not change the auditor's responsibility toward the objective of auditing, in that sense auditor should be responsible for checking the consistency between the paper-based statements and that published over website. Nevertheless, the findings indicated that the internet financial reporting (IFR) affects the responsibility of the auditor throw the expanding the areas of his interventions and raising the volume of professional care must he provide. Furthermore, the impact of the internet features on the scientific and practical qualifications of the auditor as he became required to obtain particular kinds of training on IT and the internet technologies. Moreover, our analysis showed clearly that, although many of the hindrances that the auditor in Algeria may face them, the wider implications of the impact on the auditor's responsibility is the lack of the legislation which organizes the auditing in the environment of internet financial reporting (IFR). Thus, we recommend the significant of adapting the accounting law and auditing standards in Algeria with features of the internet financial reporting (IFR) and improve the auditors’ qualification on IT and the internet.

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