

## Extent of internet using in financial reporting Among the listed companies in Algiers Stock Exchange

Malika CHEBAIKI (\*) & Abdelali MOHAMMEDI (\*\*)  
Laboratory of globalisation and Economics Political  
Faculty of Economics Sciences, Commercial Sciences &  
Management Sciences  
Algiers 03 University, Algiers; Algeria

**Abstract:** This paper investigates the usage of the Internet as a tool for financial reporting in Algeria, where we have prepared a list of 27 items including financial reporting items via the internet, then we calculated the mean for these items. We have found that all of the six (06) companies listed on the Algeria Stock Exchange had accessible and active websites ; and the overall Internet financial reporting percentage was 60%. The online reporting varies among companies, drawing on the reporting list, SAIDAL, SONELGAZ & ROUIBA scored the highest reporting percentage 72%, 69% and 63% respectively, Percentage of reporting in ALLIANCE & EL-AURASSI were a bit close ; they scored 55%. Lastly company come DAHLI by 44%. This latter showed that Algerian companies have used the internet as a tool for financial reporting, but they still need to exploit the full potential of Internet financial reporting, and the new ways of reporting like XBRL, social network and social media.

**Keywords:** Financial Reporting, Internet, Algerian companies, Algiers Stock Exchange (ASE), Annual Report.

**Jel Classification Codes :** G14, M41.

### I- Introduction :

This paper aims to examine the usage of the internet as a tool for financial reporting in Algeria. Thus, this study also intended to analyse the reliability of the information disclosed by Algerian companies on their websites. Revolutionised communication has made the world smaller place, as it is providing an innovative way for communicating and interacting with consumers around the globe. Since the Internet came into existence in early 1990s, as a new tool of business communication, it has affected all aspects of society. It is becoming an increasingly important and effective means of communication, and the number of internet users increasing ever since. For instance, a survey by the Internet World Stats Shows that global Internet usage reached 34.3% in June, 2012, and the global growth online population between 2000 and 2012 estimated by 566.4%, the nature of the Internet has affected how the business approach is being performed online.

Over the past few years, the internet financial reporting has become a new e-communication application to disseminate information about the companies' financial performance, this rapidity in growth for the internet has enhanced companies to adopt the internet as a business communication medium, and it has become an attractive market place for companies around the world increasingly are adopting this communication method by setting up their own websites on the Internet to disclose financial information and communicate with their stakeholders.

#### **I.1. Research Problem :**

Since, the early 1990s Algeria has undertaken various reforms to transition from

**eMail :** (\*) : Malika@chebaiki.com & (\*\*) A.mohammedi@hotmail.fr

planned to a market economy, foreign trade and most non-energy prices have been liberalised and private sector activity has been trending upward. However, exports have barely diversified away from the volatile hydrocarbon sector,<sup>1</sup> and because of the new trends of Algerian government towards international markets, a new Algerian Financial Market set up in the mid-1990s supervised by the COSOB (Commission of organisation and Surveillance market operations), the regulatory body of the market. The COSOB oversees market activities and ensures the protection of investors by issuing visas required for companies to list on the Stock Exchange. It supervises the Algiers Stock Exchange (Société de Gestion de la Bourse des Valeurs -SGBV), the Central Securities Depository (Algérie Clearing), and the Trading Member Firms (TMF).

The Algiers Stock Exchange, created in 1997, manages the Initial Public Offerings, the trading operations and the publication of the Daily Stock Exchange Summary (Bulletin Officiel de la Cote). Until they set up of Algérie Clearing in 2003, transactions were cleared and settled by the Algiers Stock Exchange. Up to now Algérie Clearing is charged of the custody, administration and settlement of securities. Trading Member Firms have monopoly on securities trading on the stock exchange.<sup>2</sup>

At the end of the 1990s, the Algeria Government's began to shift away a long-established socialist economy to a newly oriented economic policy open to both domestic and foreign private sector participation. As part of this effort, the Government identified reforms in the telecommunications and postal sectors as catalysts for broader structural reforms in other industries and sectors.

When the Algeria Government called upon the World Bank in 2000 to provide support for the design and implementation of an ambitious post and telecommunications reform strategy, both sectors were operated by the Ministry of Posts and Telecommunications (currently the Ministry of Posts and Information and Communication Technologies MPICT) in charge of policy, regulation, and operations under full monopoly market structures (except for a few private Internet service providers and two international postal express operators), and Algeria ranked poorly within regional standards. Investment in telecommunications sector was less than \$US 150 million per year, global telephone density (fixed and mobile) was barely 5.6%, mobile telephony was almost non-existent (250,000 subscribers), the number of Internet users was less than 100,000 and mail delivery within Algiers could take up to several weeks.<sup>3</sup>

In line with the government's negotiations for Algeria's accession to the World Trade Organisation (WTO), the government should realise enormous growth that the telecom sector has brought to the country, and the indispensable role it can play for future economic and social development, and to improve this sector penetration rate. The Algerian government has started a number of initiatives, including its approval in January 2008 of a €100 million plan to implement Internet networks in every high school in the country.<sup>4</sup> The following will explain the main indicators on telecommunication market in Algeria :

Since the liberalisation of the telecommunications sector in 2000, Algeria has become one of the highest telephone density markets on the African continent. For years, the telecommunication incumbent, ALGERIE TELECOM (and its mobile arm MOBILIS), has enjoyed a monopoly over the provision of telecoms services in Algeria. But in 2002, the telecoms market was opened up to competition with the arrival of DJEZZY, and OOREDOO (previously NEDJMA) in 2006.<sup>5</sup> Indeed, as the market approaches saturation,

Algeria's network providers are looking toward development of value-added services, like data, and the introduction of third-generation (3G) technology to grow margins and boost revenues.<sup>6</sup> This anticipated launch of the 3G high-speed networks during 2013 could have even more far-reaching impact, as it will open up access to the Internet for anyone with a sufficiently capable mobile phone.<sup>5</sup>

Internet access has been available in Algeria since 1994,<sup>7</sup> under the auspices of the Research Centre on Scientific and Technical Information (CERIST), which by law remained the country's sole Internet Service Provider (ISP) until 1998. On August 5, 1998, decree no. 98-257 opened Internet service provision to other providers, but private entry into the market proceeded slowly. Two years later, law no. 2000-03 created the Ministry of Post and Telecommunications (MoPT), which included the Internet regulatory agency Algérie télécom. This latter launched the ISP DJAWEB in 2001 to extend service beyond universities and research centres. Today, Algérie télécom lists twenty-six ISP partners operating in the country, including CERIST.<sup>8</sup>

These developments and changes in the Algerian business environment and economy reflected in the Algerian regulatory system and the resulting changes in the Algerian companies' communication system. This provided an opportunity to assess the extent to which Algerian companies are using the new Technology to communicate with their stakeholders. Therefore, the current study targets the Algerian companies' financial reporting practices after the new developments. In particular, this study will examine the level of Internet financial reporting practices and the level of the Internet usage for financial reporting by Algerian companies listed on ASE in 2013. On being another study for the near future after the launch of the third generation technology 3G.

The current study is located within the functionalist paradigm or positivism paradigm on basis of carrying out an empirical investigation to examine the usage of the internet as a tool for financial reporting in Algeria. Positivism research measures "what is" disclosed on the internet by Algerian companies listed on Algiers Stock Exchange, not "**what should be**" disclosed on their websites.<sup>9</sup> According to FASB the internet-months are like years in the sense that things change so quickly. It has been said that (18) internet weeks equal (01) normal year. This study intended to examine the usage of the internet as a tool for financial reporting in Algeria, the problem statement in the current research is as follows :

**To what extent the Algerian companies listed on Algiers Stock Exchange used internet to disclose their financial information ?**

To answer this question, several research objectives can identified into research questions indicating to which extent of internet using in companies that listed on Algiers Stock Exchange, these research objectives in the form of research questions will discussed in later in detail.

As seen above, the main research question was : To what extent the Algerian companies listed on Algiers Stock Exchange used internet to disclose their financial information ? In order to answer the question there are several research objectives should be obtained. This study is trying to answer the following sub-questions :

- **Are Algerian companies having accessible and active websites ?**

The answer to this question will be by determining the number of Algerian companies that have usable websites (accessible and active).

- **Are Algerian companies disclosing financial information on their websites ?**

The answer to this question will be by measuring the level of internet financial reporting by Algerian companies.

Furthermore, we will examine the reliability of the information disclosed by Algerian companies on their websites. In the context of reliability and credibility of online information, Allam & Lymer, argued that information is reliable when external auditors have audited it. Thus, audited printed annual reports expected to be reliable source of financial information for users to depend upon when making their financial decisions.<sup>10</sup>

• **Are Algerian companies providing any evidence for the reliability of their financial information ?**

The answer to this question will be determined by finding out whether Algerian companies disclose auditors' reports with their disclosed information, or a link to auditors' homepage or any other evidence in relation with external auditors.

## **I.2. Previous Studies :**

We classify the Internet financial reporting prior studies into descriptive and explanatory studies :

In descriptive studies ; Ettredge et al. investigated internet financial reporting practices by using 490 USA company websites. Findings showed that 38 % out of 17 financial items in their checklist were presented, and only 45 % of the sampled companies provided a complete annual report.<sup>11</sup>

Ponte et al. conceded a descriptive survey on the content of leading European companies' websites in 1999. Results showed that 100 % of the sample companies had active websites and all of them supplied full annual report.<sup>12</sup>

Lybaert, examined the level of internet financial reporting of 188 companies listed on Amsterdam Stock Exchange. A list containing 44 questions was employed and the results showed that 66 companies disclosed only annual reports as a whole, 90% disclosed some sort of investors' information, also the results showed that investors could not find the latest information on the websites. Finally the companies did not use the website technology to preset their information very well.<sup>13</sup>

Lodhia et al. examined the Internet financial reporting by top 50 Australian companies between September and November 2001. Results showed that Australian companies are providing the mandatory requirements of financial reporting at the Internet.<sup>14</sup>

Al-Htaybat & Napier, and for the first time in Jordan as one of the developing countries carried out a survey to examine the level of Internet financial reporting by Jordanian companies. Result Show that 55 (29%) out of 190 Jordanian companies listed on ASE in August 2004 had active, accessible websites. The banking sector on average scored the highest level of Internet disclosure, followed by companies in service, manufacturing and the insurance sectors in ascending ranking order.<sup>15</sup> After two years, Al-Hroot & Al-Htaybat examined the usage of the internet as a tool for financial reporting in Jordan as one of the developing countries, this study considered as an update to the pioneer study of Al-Htaybat & Napier. Although over the last few years there were much attention has been drawn by Jordanian companies toward the usage of the internet as financial communication tool for disclosing accounting information to stakeholders, it remains as a new phenomenon of the new millennium. And result following show 76 companies (or 35 % of 215) had active websites interpret this orientation.<sup>16</sup>

In explanatory studies ; Debreceeny et al. Goes beyond the analysis of firm-specific determinants for internet financial reporting by surveying 660 companies in 22 countries. The results revealed that firm-specific characteristics and environmental variables were good predictors for the nature and quantity of information disclosed on company websites. The overall financial reporting disclosure environment appeared to be a strongly significant explanatory variable.<sup>17</sup>

Another explanatory study was carried out by Allam & Lymer to measure the level of Internet reporting by the largest 50 companies selected from each of : the USA, the UK, Canada, Australia, and Hong Kong at the end of 2001 and early 2002. The results showed that 99% of the sampled companies had websites ; the US, the UK and Canadian companies were the leaders with respect to Internet reporting, followed by Australian companies with few differences, and finally Hong Kong with a considerable gap in both technological and content matters. The association between the level of Internet reporting among the five countries and the company's size examined, and it found that there was no relationship between the size of the companies and the level of Internet reporting.<sup>10</sup>

Oyelere et al. examined the level of Internet voluntary disclosure of 229 companies listed on the New Zealand Stock Exchange at the end of 1998. The results indicate that some determinants of traditional financial reporting (firm size, liquidity, industrial sector and spread of shareholding) are determinants of voluntary adoption of Internet financial reporting (IFR). However, other firm characteristics, such as leverage, profitability and internationalization do not explain the choice to use the Internet as a medium for corporate financial reporting.<sup>18</sup>

This review shows that the use of the internet as a company communication tool for financial reporting is growing internationally. In addition, Internet reporting seems to be a growing area in amounting research, as much attention has been drawn in accounting and financial reporting research toward the usage of the Internet as financial communication tool by companies in many countries around the world. As seen above, several studies provided mainly an overview of the current use of the Internet for online reporting ; they did not provide reasons for the differences in the level of information presented on the Internet. Also there are studies that went on one step further to examine certain independent variables (e.g., company size or industry type) with the level of internet disclosure. Many of the above studies have been undertaken in the well developed countries around the world and very few studies have been carried out in the developing countries, especially in the Middle East. In this context, Al-Htaybat & Napier argued that the internet financial reporting has become an urgent investigation in European countries and USA and the number of published studies on the internet financial reporting is very limited in the developing countries.<sup>16</sup> Therefore, we considered this study as the first in Algeria (as a developing country) in examining the usage of the Internet as a tool for financial disclosure. This study also intended to examine the reliability of the information disclosed by Algerian companies on their websites.

## **II. Methods :**

Generally as seen in research studies, the usage of the internet by companies for business financial communication with their stakeholders is fairly new in all other regulatory authorities, don't require yet companies to establish their websites in order to disclose any financial information.<sup>19-20-21-17</sup> Thus, companies in many countries do disclose

financial information on the internet voluntarily. Likewise, there are no mandatory requirements requiring Algerian companies to disclose financial information on the internet.

### II.1. Reporting index as an important research method :

As seen above, the main objective of this study is to measure the level of internet financial reporting on the Algerian companies' websites. In this context, financial reporting is an abstract and broad concept that cannot be measured directly.<sup>15</sup> As it has been noted above, there are two type of the research method that has been used to measure the level of internet disclosure. One type of research on the internet financial reporting was mainly descriptive, which concentrated on one country by giving a descriptive overview of the current situation of online companies' financial disclosure. This kind of research can be referred to as Content Analysis as a research methodology. Other type of research went one-step further by using a reporting checklist to evaluate the extent of the internet usage for financial disclosure. These checklists were constructed by choosing and classifying a list of particular items to analyse narrative or non-narrative, financial or non-financial companies' disclosure.<sup>22</sup> And each index of checklist reported in a company's website was evaluated based on dichotomy, which was a score of (01) for a reported index and a (0) score for an unreported index, and below the formula used in counting Internet Financial Reporting (IFR) indexes :

$$\text{IFR index} = \frac{\Sigma \text{ real score obtained by the company}}{\Sigma \text{ maximum score (27)}^*}$$

The reporting index, as a research methodology is a well established research method in the area of companies' annual reports. In this context, Marston & Shrivs stated that : *"One research instrument that has been used in numerous publications is an index of reporting of particular information in company reports. Such an index aims to show the level of reporting in a set of company accounts. It can be used to show compliance with regulations if items in the index are so chosen or conversely it can be used to show the level of voluntary disclosure."*<sup>22, p. 195</sup>

### II.2. The reporting index for the Algerian companies websites :

Since this study is intended to be, in part, the first building block to help in evaluating internet financial reporting in Algerian companies, we decided to use a checklist from previous studies, which contains comprehensive financial and non-financial items representing the current situation of online Algerian companies, thus, will help to provide a true image and useful insight into existing Algerian internet reporting practices. Our checklist should include a set of items representing the status of Algerian companies' websites. Our argument here ; is that to be better to tackle the status Algeria as a developing country and not to bring irrelevant items from one of the prior studies that was conducted in developed countries, and apply it on companies that function in a totally different environment. Also, important to note that these steps of constructing their internet checklist will not only represent the actual situation of Algerian companies online but also improve the validity of their research method. The current reporting checklist is divided into two main parts. The first part which consist of (09) general items focusing on non-financial issues, and the other part includes (18) items of the financial reporting items' content. Tables (02 & 03) show the complete current set of the internet reporting checklist.

Tables (02 & 03) shows that the final list comprises (27) non-financial and financial unweighted items representing the actual usage of the internet by Algerian companies, there are (09) non-financial items focusing on non-financial issues, these items indicate the following :

- The company name as listed on ASE represents the existence of companies' websites.
- The existence of a list of the website items or part (site map) and/or search Box represent the simplicity of surveying the website.
- Availability of PDF file represents downloadable data.
- HTML formats represent the usage for publishing information.
- The provision of latest news and/or events is looking at how the company presents the first generation of internet financial disclosure.
- Different languages, Arabic/French or Arabic/English represent whether the company is attempting to target foreign investors.
- Further contact details such as e-mail address or mailing address are supplied ; and any further information enquiries that could arise are representing some sort of investors' relation information.

The second part includes (18) items of the financial reporting items' content. These items are the classic financial reporting items such as Auditors' report, Assets, equity and liabilities, statement of profit or loss, and Cash flow statement, Statement of changes in equity, Notes and Accounting policies. These items probably found in any mandatory requirement of any capital market. This checklist has been selected to represent the actual situation of the online Algerian companies.

### **II.3. Research sample :**

The survey population comprises all Algeria stock exchange listed companies, which have an active and accessible website, and the sampled companies found by ASE website's [www.sgvb.dz](http://www.sgvb.dz), table (01) shows these companies.

Analyses of internet financial reporting practices by the Algerian companies were listed on ASE in 2013. The level of overall internet financial reporting in 2013 will be measured, and the mean, standard deviation, minimum and maximum values will be utilised to explain the level of financial reporting on the Algerian companies' websites.

### **III. Results :**

In this section, the level of usage of the internet as an electronic tool for financial reporting highlighted. The advantaged of corporate homepages as tools to reach stakeholders in an online virtual environment are identified.

#### **III.1. Internet reporting found at Algerian companies' websites :**

In order to obtain the objective of this study, we will calculate measures of reporting levels in the Algerian companies' websites during August and September in 2013, the current study use the scoring sheet from prior studies, which contains (09) non financial items and (18) financial reporting related items, to measure the online situation of the Algerian companies during this time. Also the dichotomous approach was employed to avoid the risk of penalising companies for partial disclosure. Also, as mentioned above, the actual inspections of the Algerian companies' websites was conducted during August and September 2013. This entails that a double check of the same websites in both months, to identify and correct any error or misunderstanding regarding any item in a company's

website (Over the two months, there are some changes on the items that are in construction).

### **III.1.1. Non financial items found at Algerian companies' websites :**

Table (02) summaries the reporting level of non financial items that found disclosed online by Algerian companies surveyed.

Company's name : 83.33% of the Algerian companies' websites shows their names except ; DAHLI SPA website's that's named on a project of the company (ALGER MEDINA). Company's news and events : 66.67% of the online Algerian companies had the latest news summaries sections on their homepages, which also include general news about the company as well as the future events. In this context, Allam & Lymer, argued that companies disclosed their latest news and events on their websites this is an indication of online investor relations' services<sup>10</sup>. List of the site parts and link to any part and search engine box : Almost 16.67% of the online Algerian companies were providing List of the site parts and link to any part (site map), and (66.67%) of the surveyed companies were providing search engine box. In this context, Allam & Lymer, stated that the existence of a site map and the search engine box are proxies' measures of the simplicity of surfing the company's website.<sup>10</sup> E-mail and mailing contacts : It was found that 100% and 33.33% respectively of the online companies were providing an E-mail and mailing contacts on their websites. Lodhia et al. argued that companies provide E-mail contacts usually allow investors to send messages from a web page within the company's or investors relations' websites. Also E-mail is preferable method as it allows investors to save the address in their mailing list, which gives them the ability to send any requests at any time without the need to visit the company's website again.<sup>16</sup>

Presentation formats (PDF, HTML) : 100% of the Algerian companies surveyed provide their presentation on a downloadable PDF format, and none of the Algerian companies found presenting information's by HTML format. Versions of the company's websites (Arabic/French or Arabic/English) : it found that 16.67% of the Algerian surveyed had a website in Arabic/French languages. When companies provide two versions of their homepage, especially in foreign languages, this could be a strong indication of having foreign investors or these companies have an international investors' relation. This may come as results of these companies with big size, also with large number of foreign investors. Therefore, Algerian companies must take in consideration creating other versions to attract foreign investors.

### **III.1.2. Financial items found at Algerian companies' websites :**

This set of financial items shows the availability of financial information that disclosed by Algerian companies on their websites. Table (03) summaries the reporting level of financial items that found disclosed online by Algerian companies surveyed.

The following section will discuss the financial items that related to the company's website : Financial statements and auditor's reports : 50% of the Algerian companies surveyed had full annual reports online. Although the main financial statements at least disclosed by 50% of the companies in the current sample, it was found a variation in the level of financial statements reporting among the companies that covered in this study. All the companies provided both balance sheet (Assets, equity and liabilities) and statement of profit or loss, 66.67% of the online companies provided a cash flow statement, and 50%, 16.67% of the companies provided statement of the changes in equity, and notes and



accounting policies respectively. This is due to newness requiring companies in Algeria by these statements since the first application of financial accounting system in 2010. Auditor's report is very important for financial information credibility and reliability, and the auditor's reports were disclosed by 66.67% of the surveyed companies.

Other financial and none financial items that related to the company's annual report : These items focused on the narrative sections of the companies' annual reports, 50% of the online Algerian companies provided the names of their directors' board members, 83.33% provided the chairman speech, 66.67% disclosed the board of director reports. Moreover, all the online companies provided his profile and a brief summary of company's history. Also in the narrative sections of the Algerian companies' annual reports found that, 16.67% of the companies provided brief summary about the top managers, and 83.33% provided brief summary about the company's human resources. Furthermore, as shown in table (03), there were all the surveyed Algerian companies provided information on the company's products and services. And the same for companies' accomplishments of last year, and 83.33% of the online companies disclosed the future plans. Finally, 33.33% of the companies provided online the chart of the company's organisational structure.

### **III.2. Reliability and credibility of online information :**

As seen in the prior studies review, the use of the internet technology for companies' internet financial is currently a well-established tool in many countries around the world, as company desires to build an international profile and sources of funds by disclosing information on the internet to communicate with their users. Alongside, investors are relying more on internet information. However, one of crucial problem facing internet financial reporting is the reliability and credibility of online information. Given that a quick change in the information technology ; the wide spread of users and companies' desire to disclose more online information as it is cheaper and easier than most of the traditional ways. On the other hand, the freedom of internet technology has created major problem related to ensuring security, reliability and credibility of online information.<sup>23-24</sup>

In the context of reliability and credibility of online information, Allam & Lymer, argued that information is reliable when independent auditors have audited it.<sup>10</sup> Thus, audited printed annual reports expected to be a reliable source of financial information for users to depend upon when making their financial decisions. However, as seen in table (03) the printed version of auditor's reports were disclosed by 66.67% of the surveyed companies. Not one company provided a link to relevant auditors' website or even an authorised or regulatory body in Algeria. Further, none of the online Algerian companies provided an indication or guidance to users within the annual reports to show the point of audited and none audited information. This may lead to say Algerian companies do not give acceptable emphases to reliability and credibility of their online information.

### **IV. Discussion of the internet financial reporting in Algeria :**

The previous section shows the descriptive analyses of the internet usage as an electronic tool for financial reporting by the Algerian companies in 2013. In this section will contain a discussion of the main finding of this study, this latter is seeking to provide a first building block to help in evaluating online financial reporting in Algerian companies.

As seen above, the main findings of this study were as follows : all the companies listed on ASE in 2013 had accessible and active websites. Also, it was found a significant level of internet financial information available on the Algerian's websites. These websites

were containing reporting data during the last periods. In particular, it was noted the following : Algerian companies' websites provided information about companies' products and services. Even though there was an acceptable number of Algerian companies providing a full version of printed annual reports online, but there was a variation among Algerian companies websites in the level of online financial information. Most companies disclosed information less than their printed financial information, those companies disclosed on their websites summary of financial information or some of the financial statements, such as balance sheet (Assets, equity and liabilities) and statement of profit and loss, however, the majority missed to disclose the notes and accounting policies.

Therefore, we found also that there was a wide variation among companies in the narrative sections of the companies' annual reports. a significant number of online companies disclosed the member's names of the board of directors, chairman's speech, board of director's report, company profile, brief summary of company's history, brief summary about company's human resources, information on company's products or services, company accomplishments of last year with figures, plans for at least one year ahead.

Generally, if we make a comparison between listed companies, we find that SAIDAL & SONELGAZ are better in using Internet as a tool for the reporting of the financial business results increased by 72% and 69% respectively. ROUIBA followed by 63.89%, while for the ALLIANCE INSURANCE & AURASSI ratio was used Internet in financial reporting by 55.56%, and lastly company was came DAHLI by 44.45%. Overall, rate of using Internet in reporting of financial reporting among the Algerian companies was 60.19%, which need to be reconsidered if the Algeria government wants to activate their financial markets, because when ever this ratio was high as shown the transparency of financial market in Algeria.

## **V. Conclusion & recommendations :**

After we examined results of this study that aimed to test extent of internet using as a tool for financial reporting in Algeria, it can be said that, the development of the internet and its use by the business community to distribute financial information is occurring so rapidly that companies, standard setters and regulators have not addressed many fundamental issuer. As currently, there are no laws or regulations forcing companies to publish annual reports on the internet in Algeria. There are no rules governing internet reporting or digital annual reports in Algeria, as the case in many developing countries. The development of the internet financial information is taking place so rapidly that standard setters and regulators have not addressed any of its issues in Algeria.

Moreover, ways of financial reporting has evolved in most countries on the world, especially with the apparition of business reporting language XBRL (Extensible Business Reporting Language), which is one of the most important programming languages used in disclosure, which was based in building their bases on the Extensible Mark-up Language XML, that is one of the languages developed in the field of programming. Where this language (XBRL) target to adopt accounting information systems to be able to convert and transfer accounting information via the Internet for using in decision-making, which we found absent in the Algerian companies' websites.

There are several elements found in the literature could be recommended as set of common-sense best practice improve the online financial reporting by Algerian companies :

- As a minimum level of internet reporting company should include on its homepage the full versions of its printed financial reports, a complete set of International Accounting Standard financial statements as defined in IAS 01. And in the case where the company does not provide the full versions for instance, just the statement of profit or loss and assets, equity and liabilities, and all of the basic financial statements but without the notes to the financial statements, or only selected financial data. The company should provide a clear indication of doing so and the reasons behind that, and it should provide a point of contact for obtaining this information. Conversely, if additional information is provided on the company's homepage that is not disclosed in printed version, the fact that there is additional information provided on the company's homepage should be disclosed.
- The auditor's report is an important source of credibility and reliability for annual reports. Therefore, companies should provide an auditor's report ; in which auditor should make clear which pages are subject to an audit opinion, and this report must be have a link with website of the auditor to ensure that nom is representation of auditor's report.
- Companies should provide a clear indication to tell users a point when they are leaving from the financial report. That is, audited financial statements, and related operating and financial data.
- When company divided its internet reporting separate online files and documents for online presentation or downloading convenience, all parts should be listed together on the company's website, and appropriate cross-referencing between the documents should be provided.
- Necessity of adopting accounting information systems in Algeria with the Extensible Business Reporting Language (XBRL).

#### - Appendices:

**Table (01) : Algerian companies listed on ASE**

No.	Companies	Activities	Websites
01	ALLIANCE ASSURANCES	Insurance	<a href="http://www.allianceassurances.com.dz/">http://www.allianceassurances.com.dz/</a>
02	SPA EGH EL AURASSI	Hospitality	<a href="http://www.el-aurassi.com/">http://www.el-aurassi.com/</a>
03	DAHLI SPA	Real estate, Hospitality and Leisure	<a href="http://www.algermedina.net/">http://www.algermedina.net/</a>
04	<i>NCA-ROUIBA</i> SPA	production and distribution of drinks, nectars and fruit juice	<a href="http://rouiba.com.dz/">http://rouiba.com.dz/</a>
05	GROUPE INDUSTRIEL SAIDAL	Importation, manufacture and commercialisation of Pharmaceutical Products	<a href="http://www.saidalgroup.dz/">http://www.saidalgroup.dz/</a>
06	SONELGAZ SPA	Production, transmission and distribution of electricity & gas	<a href="http://www.sonelgaz.dz/">http://www.sonelgaz.dz/</a>

Source : by the researches from Algerian companies' websites.

**Table (02) : The reporting level of non financial informations that found disclosed online by Algerian companies surveyed.**

No.	Companies non financial information	Companies						Results by item
		Alliance	El-Aurassi	Dahli	Rouiba	Saidal	Sonelgaz	
1	Company's name	1	1	0	1	1	1	83.33%
2	Company's news and events	0	0	1	1	1	1	66.67%
3	List of the site parts and link to any part	0	0	0	0	1	0	16.67%
4	Search engine box	0	1	0	1	1	1	66.67%

Extent of internet using in financial reporting Among the listed companies in Algiers Stock Exchange

5	E-mail contact	1	1	1	1	1	1	100 %
6	Mailing contact	0	1	0	0	0	1	33.33%
7	Presentation Formats using HTML	0	0	0	0	0	0	0 %
8	Presentation Formats using PDF	1	1	1	1	1	1	100 %
9	Two versions of the site : Arabic/French or Arabic/English	0	0	0	0	0	1	16.67%
<b>Results by company (1)</b>		<b>33.33%</b>	<b>44.44%</b>	<b>33.33%</b>	<b>55.56%</b>	<b>66.67%</b>	<b>66.67%</b>	

Source : by researchers from Algerian companies' websites.

**Table (03) : The reporting level of financial information that found disclosed online by Algerian companies surveyed.**

No.	Financial reporting information	Companies	Alliance	El-Aurassi	Dahli	Rouiba	Saidal	Sonelgaz	Results by item
1	Complete annual report as one document		1	0	0	1	0	1	50 %
2	Names of members of the board of directors		0	0	0	1	1	1	50 %
3	Chairman's speech		1	0	1	1	1	1	83,33%
4	Board of director's report		0	1	1	0	1	1	66,67%
5	Company profile		1	1	1	1	1	1	100 %
6	Brief summary of company's history		1	1	1	1	1	1	100 %
7	Brief summary about top managers		0	1	0	0	0	0	16,67%
8	Brief summary about company's human resources		1	0	1	1	1	1	83,33%
9	Information on company's products or services		1	1	1	1	1	1	100 %
10	Company accomplishments of last year with figures		1	1	1	1	1	1	100 %
11	Plans for at least one year ahead		1	1	1	1	1	0	83,33%
12	Organisational structure chart of the company		1	1	0	0	0	0	33,33%
13	Auditors' report		1	0	0	1	1	1	66,67%
14	Assets, Equity and liabilities		1	1	1	1	1	1	100 %
15	Statement of profit or loss		1	1	1	1	1	1	100 %
16	Cash flow statement		1	1	0	1	1	0	66,67%
17	statement of changes in equity		0	1	0	0	1	1	50 %
18	Notes and accounting policies		1	0	0	0	0	0	16,67%
<b>Results by company (2)</b>			<b>77,78%</b>	<b>66,67%</b>	<b>55,56%</b>	<b>72,22%</b>	<b>77,78%</b>	<b>72,22%</b>	<b>50 %</b>
<b>Results by company (1)</b>			<b>33,33%</b>	<b>44,44%</b>	<b>33,33%</b>	<b>55,56%</b>	<b>66,67%</b>	<b>66,67%</b>	<b>70,37%</b>
<b>Results by company (1)+(2)</b>			<b>55,56%</b>	<b>55,56%</b>	<b>44,45%</b>	<b>63,89%</b>	<b>72,23%</b>	<b>69,45%</b>	<b>60,19%</b>

Source : by researchers from Algerian companies' websites

**- References:**

<sup>1</sup> Monetary and Financial Systems and Middle East and Central Asia Departments, "Algeria : Financial System Stability Assessment", IMF Country Report No. 04/138, 2003, p. 05, 12/08/2013, [https://www.google.fr/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&ved=0CDQQFjAA&url=http%3A%2F%2Fwww.imf.org%2Fexternal%2Fpubs%2Fft%2Fscr%2F2004%2Fcr04138.pdf&ei=C\\_7BUoSTH0js0gXyIIgIAQ&usq=AFQjCNHhdsHZZYhFqyQj1TxKL31NYn9Jw&ym=bv.58187178,d.Yms](https://www.google.fr/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&ved=0CDQQFjAA&url=http%3A%2F%2Fwww.imf.org%2Fexternal%2Fpubs%2Fft%2Fscr%2F2004%2Fcr04138.pdf&ei=C_7BUoSTH0js0gXyIIgIAQ&usq=AFQjCNHhdsHZZYhFqyQj1TxKL31NYn9Jw&ym=bv.58187178,d.Yms)

<sup>2</sup> United Nations Development Program (PNUD), "Modernisation of the Algerian Financial Market", Request For Information, 2012, 12/08/2013, [https://www.google.fr/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CDcQFjAA&url=http%3A%2F%2Fwww.dz.undp.org%2Fprocurement%2FRFI%2FPROJ61824\\_RFI\\_EN.pdf&ei=vP3BUrQwAqWd0QWj9YCwDA&usq=AFQjCNEoVpVG6dlwNRts5tatW4tUUX88PQ&bvm=bv.58187178,d.Yms&cad=rja](https://www.google.fr/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CDcQFjAA&url=http%3A%2F%2Fwww.dz.undp.org%2Fprocurement%2FRFI%2FPROJ61824_RFI_EN.pdf&ei=vP3BUrQwAqWd0QWj9YCwDA&usq=AFQjCNEoVpVG6dlwNRts5tatW4tUUX88PQ&bvm=bv.58187178,d.Yms&cad=rja)

- <sup>3</sup> The World Bank, "Algeria Telecommunications and Postal Sector Reform Project", Report No. 20509 AL, 2000, 12/08/2013, [http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2000/07/06/000094946\\_0006130535047/Rendered/PDF/multi\\_page.pdf](http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2000/07/06/000094946_0006130535047/Rendered/PDF/multi_page.pdf)
- <sup>4</sup> Country Profiles : "Algeria", 20/08/2013, <https://opennet.net/research/profiles/algeria>
- <sup>5</sup> Karim, Y., "Feature mobile telecoms market in Algeria the untapped potential of 3G", 19/08/2013, <http://inspiremagazine.anasr.org/feature-mobile-telecoms-market-in-algeria-the-untapped-potential-of-3g/>
- <sup>6</sup> Creating space : "Expansion continues following deregulation and technology gains", 20/08/2013, <http://www.oxfordbusinessgroup.com/news/creating-space-expansion-continues-following-deregulation-and-technology-gains>
- <sup>7</sup> CERIST, 20/08/2013, <http://www.africa-internet.com/en/provider/algeria/cerist/>
- <sup>8</sup> Internet Filtering in Algeria in 2006-2007, 20/08/2013, <https://opennet.net/studies/algeria2007>
- <sup>9</sup> Hussey, J. and Hussey, R., "Business Research", London : Macmillan press, 1997.
- <sup>10</sup> Allam, A. and Lymer, A., "Developments in internet financial reporting : review and analysis across five developed countries", working paper, University of Birmingham, UK, 2002.
- <sup>11</sup> Ettredge, M., Richardson, V. J. and Scholz, S., "Dissemination of information for investors at corporate web sites", *Journal of accounting and public policy*, Vol. 21, 2002, pp. 357-369.
- <sup>12</sup> Ponte, E. B., Rodriguez, T. E. and Barrios, M. S., "Corporate digital reporting in Europe, a survey on Euro stoxx 50 companies", paper presented at the 3rd European conference on Accounting Information Systems. 27-28 March 2000. Munich. Germany.
- <sup>13</sup> Lybaert, N., "Online financial reporting, an analysis of the Dutch listed firms", *The International Journal of Digital Accounting Research*, Vol. 02, No. 04, 2002, pp. 195-234.
- <sup>14</sup> Lodhia, S. K., Allam, A. and Lymer, A., "Corporate reporting on the internet in Australia : an explanatory study", *Australian Accounting Review*, Vol. 14, No. 03, 2004, pp. 64-71.
- <sup>15</sup> Al-Htaybat, K., and Napier, C., "Online corporate financial reporting in developing countries : The case of Jordan", paper presented at the Brand Activation Association's (BAA) Annual conference, Business school, Portsmouth business school (13/11/2006).
- <sup>16</sup> Yusuf, A.A. and Zaidoon, A.A., "The extent of internet financial disclosure : a case of Jordanian companies", *Mu'tah Lil-Buhuth wad-Dirasat, Humanities and Social Sciences Series*, Vol.23, No.05, 2006.
- <sup>17</sup> Debreceeny, R., Gray, G. and Rahman, A., "The determinants of internet financial reporting", *Journal of accounting and public policy*, Vol. 21, 2002, pp. 371-394.
- <sup>18</sup> Oyelere, P., Laswad, F. and Fisher, R., "Determinants of internet financial reporting by New Zealand listed companies", *Journal of International Financial Management and Accounting*, Vol. 14, No. 01, 2003, pp. 26-63.
- <sup>19</sup> Debreceeny, R. and Gray, G., "The production and use of semantically rich accounting reports on the internet : XML and XBRL", *International Journal of Accounting Information Systems*, Vol. 01, No. 02, 2001, pp. 47-74.
- <sup>20</sup> Marston, C. and Polei, A., "Corporate reporting on the internet by German companies' ", *International Journal of Accounting Information Systems*, Vol. 05, 2004, pp. 285-311.
- <sup>21</sup> Xiao, J.Z., Yang, H. and Chow, C.W., "The determinants and characteristics of voluntary internet based disclosures by listed Chinese companies' ", *Journal of Accounting and Public Policy*, Vol. 23, 2004, pp. 191-225.
- <sup>22</sup> Marston, C. and Shrivies, P.J., "The use of disclosure indices in Accounting research : A Review Article", *British Accounting Review*, Vol. 23, 1991, pp. 195-210.
- \* The maximum score represent the total of non financial items (9) and financial items (18).
- <sup>23</sup> Xiao, J.Z., Jones, M.J. and Lymer, A., "Immediate trends in internet reporting", *European Accounting Review*, Vol. 11, No. 02, 2002, pp. 245-275.
- <sup>24</sup> Jones, M.J. and Xiao, J.Z., "Internet reporting : current trends and trends by", *Accounting Forum*, Vol. 27 No. 02, 2003, pp. 132-165.