

The second lesson : Quality characteristics in accounting information

The characteristics of high-quality financial information or the so-called quality of financial information are necessary to be taken into account in order to judge the usefulness, quality and usefulness of accounting and financial information, which is the intended output of the accounting information system, since it is these characteristics that give the financial information value and significance to the extent it is.

The qualitative characteristics of accounting information are taken from accounting frameworks that are mostly addressed in international accounting standards and financial reporting standards. This gives an initial impression of these characteristics and the extent to which they are affected by the economic environment in developed countries, which inevitably differs from the environments of developing countries. For example, some studies have shown that the environment The Algerian economy is smaller and less dynamic than that prevailing in most developed countries, and this is an indication of the difficulties that may face the application of international accounting standards and their related aspects, such as the characteristics of high-quality information, in developing countries.

Quality characteristics of accounting information:

Accounting information cannot be looked at in isolation from the characteristics that this information must have, just as the world cannot be looked at in isolation from its ethics, because it either enhances the information the financial statements contain, increases its suitability and reliability, and thus increases its understanding. Its consistency and comparability when used, or it may be an inhibitor of the information contained in the financial statements through its inadequacy or unreliability, and thus its lack of credibility, deception, and unsuitability for making decisions. Qualitative characteristics or quality are the spirit of accounting information that gives indications of the feasibility and usefulness of the information, and interest. It focuses on the quality of information and the characteristics that must be present in it.

In addition to the above, the qualitative characteristics express some of the behaviors that must be followed in order for the accounting information to express what it is supposed to express. Thus, they are flexible concepts that do not have comprehensive, restrictive measurement standards. Rather, the matter of their application is subject to morals and ethics, which require their presence and availability. In the preparers and producers of accounting information, interest in ethics in accounting has recently increased by professional associations and

organizations. Although there are multiple accounting concepts included in the conceptual frameworks, they are never a substitute for activating the ethics that emanate from the person himself and whose activation is up to him. It is no matter how many legislative and professional controls and behaviors there are. These characteristics are not viewed individually - that is, each characteristic separately - but must be viewed as an integrated set of characteristics that must be present in accounting information. For example: accounting information may be appropriate and reliable, but the cost of obtaining or producing it is high and exceeds the return. What is expected to be obtained, which negates the information from being useful and useful? Also, what is the use of appropriate information if it cannot be understood by users? Which also highlights the integration of the roles of those concerned with accounting information, from those who prepare the information, its producers, auditors of its validity, analysts of its dimensions, and finally its users as a basis for making their decisions, and this is done in sequential steps so that each step enriches the steps before it.

The qualitative characteristics, according to the opinion of the International Accounting Standards Board (IASB), are as follows:

Essential qualities: relevance, reliability, understandability and comparability.

Relevance: It consists of relative importance, predictive ability, and feedback value.

Reliability: It consists of impartiality, faithful representation, caution, essence over form, and integrity of information.

Secondary qualities: understandability and comparability

Constraints: fair offer, benefits and costs, timeliness, and balance between qualitative attributes.

The qualitative characteristics, according to the opinion of the American Financial Accounting Standards Board (FASB), are as follows:

Essential qualities: convenience and reliability.

Basic trait components:

-Relevance: It consists of appropriate timing, predictive ability, and feedback value.

-Reliability: It consists of impartiality, faithful representation, and prior verification.

Secondary qualities: consistency, prioriness of comparison.

Constraints: benefit, costs, and relative importance.

The following table shows the qualitative characteristics according to the opinion of the International Accounting Standards Board (IAS) and the US Financial Accounting Standards Board (IFRS).

According of IFRS	According of IAS	Adjective
Two qualities are convenience and reliability	Four qualities: relevance, reliability, comparability and understandability	Basic qualities
Proper timing, nutritional value Inverse, predictive power	,Relative importance, feedback value Predictive ability	Relevance
Neutrality, true representation, portability Verification	Neutrality, honest representation, ,caution Substance over form, fair presentation	Reliability
/	no It has components	Comparability
/	no It has components	Understandability
Two qualities are understandability and comparability	nothing	Secondary traits
Two: costs and benefits, importance Relativity	Four qualities: appropriate timing, presentation Fairness, cost and benefits, balancing between Qualitative attributes	Restrictions