

Importance and Possibility of Interim Financial Statements ' Review in Yemen in Accordance with International Auditing Standards(IAS)

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Abstract

The review of Interim Financial Statements of Public and Private Sector in Yemen have underlined the importance of "Strongly agree" and "Agree", with an arithmetic mean of 4.61 - 3.58, and with standard deviations of 0.034 - 0.191, respectively. This shows the importance of those objectives as well as the importance of IFS' review in enhancing the confidence in their users. Also, the study results show that there is a consensus among all samples of the study about the possibility of interim financial statements ' review in public and private sectors in Yemen in accordance with International Auditing Standards suitability of IAS no 2410 for the environment of Yemen, According to the obtained results, 95.41% of respondents have generally encouraged the possibility of the review of IFS in the existing enterprises in Yemen, and 4.59 % have considered that as impossible. So, the majority of the study sample have encouraged the possibility of this review in accordance with International Auditing Standards and The analyses of the results concluded that the majority of respondents have believed that Standard No. 2410 is appropriate for the review of IFS which suits the Yemeni environment and enhance the absence of significant differences between the answers of respondents, which refers to the consistency of their answers. The researcher, here, stated that answers of this question can enhance the answers of the study sample about the previous questions, which in turn confirmed the possibility of IFS' review in accordance with the International Auditing Standards in Yemeni enterprises. However, it should be noted that 58 individuals of respondents have preferred to issue a local standard regarding this review, believing that Standard No. 2410 is not an appropriate one for the Yemeni environment.

Keywords: Interim Financial Statements/ reporting- review- auditing - IAS 2410 - Yemen

Introduction & Research Issue:

The world has witnessed many developments and shifts in the international economic ties in the recent times, which has led to the emergence of large-sized organizations and steady growth in the size of their business along with the complexity of their systems, which have affected the system of accounting , making accounting not only a historical record of Interim Financial Statements (IFS) to access to their financial results and statements at the end of year, but they have become a system of accounting information, where they have evolved gradually over different and successive stages as a

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natural and inevitable consequence for the development of economic, social, legal and cultural factors and conditions prevailing throughout the ages, and then developed due to the need of accounting information to meet the requirements of users of such information under those circumstances (Alissa, 1991: 358), (IASB, IAS NO.34, 2016: 1489). So, Yemeni government is seeking to implement many economic reforms through updating its unified accounting system and improving it in its economic units and institutions in accordance with the International standards so as to develop the plans of the economic facilities and institutions and thus enhance the confidence of International organizations in order to keep up with the International Accounting and Auditing Standards, where many accounting components were excluded to tackle many imbalances. The IFS have not given an attention to Yemen for several reasons: the unified accounting system has not dealt with this subject on the one hand, and on the other, despite the role of private sector in the economic activity is small, but the need of IFS is required not only locally in Yemen but also globally.

Based on the above, this study attempts to answer the question (To what extent are enterprises in Yemen aware of the importance of adopting ISRE 2410 of IFS?

Objectives of the Research

- 1) To recognize the possibility of auditing IFS in public and private sectors in the Republic of Yemen.
- 2) To identify the most important issues that may face the preparation and auditing IFS in addition to studying the most important factors that affect the preparation and auditing of these statements in the Republic of Yemen.

Hypotheses of the Research

There are no statistically significant differences between the different categories of the study in relation to the materiality of Importance and characteristics of review of IFS.

- I. There is a possibility of reviewing the IFS in Yemen in accordance with International Auditing Standards.

Field Study & Technique of Analysis

For obtaining the necessary data in the field study, the researcher depended on the questionnaire in the light of studying variables and hypotheses to test the importance and possibility of preparing IFS in Yemen in accordance with IFRS analysed the data using SPSS

The professional framework for reviewing IFS:

Due to the significant role of IFS in activating investments in stock markets and the importance of these statements to investors, enterprises and national economy, the different professional authorities and organizations worldwide on top of which International Accounting Standard Board (IASB), all

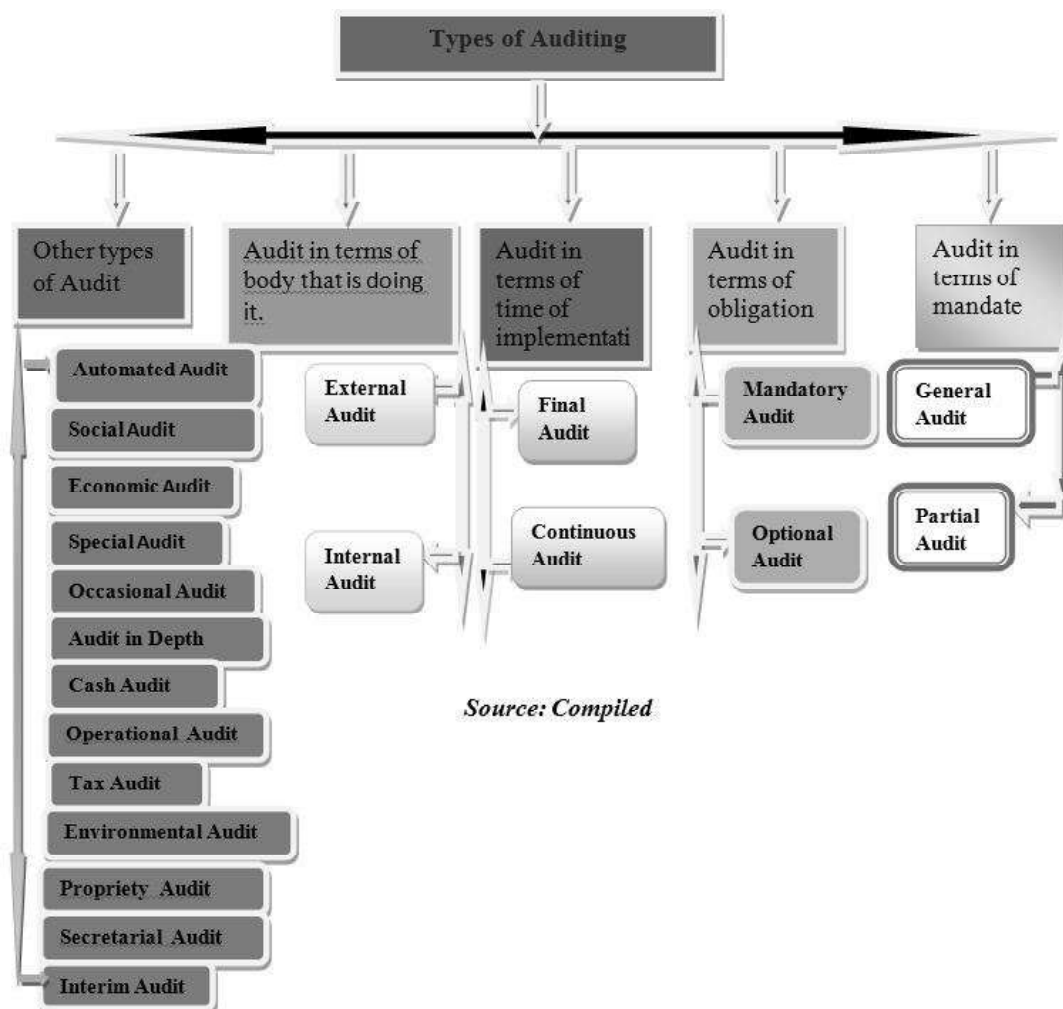
have accelerated issuing accounting standards governing the preparation process of these statements as the need of reviewing these statements has come into appearance because the users of these statements state that accounting disclosure in IFS must provide timely, appropriate and reliable information in order to increase confidence in these statements in making economic decisions.

Definition of Auditing

The definition adopted by the According to American Accounting Association (AAA), auditing is "A review is an organized process and methodology for the objective collection and evaluation of evidence and evidence relating to the results of economic activities and events, to determine the compatibility and congruence between these results and the established criteria and to inform the parties concerned of results of audit" (Al-Naghi, 2000, 17).

Relationship between Accounting and Auditing

Accounting is considered as a construction work that deals with the analysis, tabulation, recording, and summarization of basic data to be presented in a form of financial statements. While auditing is considered as an investigation tool for the safety of accounts and accounting evidences and activities which led to the creation of financial balances and stating the neutral technical opinion on the fairness and reliability of financial statements of enterprises (Shreem and other ,2009, 36-37).



Source: Compiled

Figure No.1

The study of auditing principles related to the review of IFS:

Due to the dispute between the scholars of accounting and international and regional professional organizations over the auditing of IFS, we tried to identify the requirements of international and regional auditing standards concerning the review of these statements through conducting a detailed study of International Auditing Standard No. 2410 and comparing it with auditing standards regarding the review of these statements in US, in order to identify the most problems facing the preparation of these statements and get benefit of these countries' experiences in Yemen.

International auditing Standard No. 2410:

This standard was issued in the year 2007 by IFAC. It has discussed reviewing IFS in order to test the scope and procedures as well as the principles that should be followed by the independent auditors in the review of these statements(IAFC No. 2410, 2014: Par1).

Objective of auditing Standard No. 2410

The objective of this standard is to provide the auditor with guidelines and rules that clarify the professional responsibility in addition to explaining the report of reviewing IFS.

In other words, the scholars of accounting have stated that the objective of this standard is to clarify the nature and timelessness of procedures to be carried out by auditors when reviewing these statements, how to prepare the reviewing report, and to state the professional responsibility of auditors in reviewing these statements (IAFC No. 2410, 2014 Par 7-9, Pp 1 -2).

Scope of auditing Standard No. 2410

This standard is applied when reviewing IFS that contain complete or condensed statements for a period shorter than an enterprise's full financial year(IAFC No. 2410, 2014: Par 2).

Objectives of reviewing IFS

The International Auditing Standard No.2410 has stated that the objective of reviewing these statements is to give a negative opinion from auditors as a response to the inquires of management to see if these statements go in line with accounting policies mentioned in Accounting Standards No. 34(IAFC No. 2410, 2014 :Par 9).

General Principles of review of interim financial information:

The International Standard on Review Engagements (ISRE) 2410 has stated that the most important principles which must be followed in the review process are as follows(IAFC No. 2410, 2014: Par 4-6),(Hammad, Tarek Abdel-Al, 2004, 483-484) and (Sekar G, Saravana P, 2016 : 218-219):

- The auditor should comply with the ethical requirements relevant to the audit financial statements of enterprises like independence, integrity, objectivity, professional competence, due care, confidentiality, professional behavior, and technical standards.
- The auditor should implement quality control procedures as keeping a balance in relationship with customers, in addition to appointing a team to perform the reviewing process under his/her control.
- The auditor should plan and perform the review process, taking into his/her consideration the unexpected attitudes that may cause significant amendments to the preparation of these statements.

- US Standards recommend that the auditor of the IFS must be the same person who is charged with the annual statements, and this was not included in the international standard for the review of the IFS.
- The International Standards gives importance to the evidence collected by the accountant and makes him believe that the IFS are fair and real, but The US Standards require the chartered accountant to state that there is no need to make significant amendments or changes to the IFS in order to go line with the internationally recognized accounting principles.
- The US Standards require that the independence of the auditor should be stipulated in the preparation of the IFS, and this was not mentioned in the international standard no. 2410, which stated that the status of independence is preferred but not compulsory, and this is contrary to what is mentioned international standard No. 2410 which mentioned that the auditor should be independent.

The relationship between the external auditors and IFS and their impact on their responsibility:-

Generally, the role of the external auditor regarding IFS, as stated in the Auditing Standard No. 36-116 of US Auditing Standards Commission and the International Auditing Standards No.2410, means that reports of auditors must be sent to the board of directors and dated the completion of auditing of the financial records and information (Al-Ramli, 2003: 124). This report must include the following (Al-Shatri, 1995: 402), (Lutfi, 1996: 132-131) (William, Thomas and Henke Anderson, 2010, 1003):

- An approval from the auditor to follow the standards of auditing the interim financial information.
- Defining the interim information examined by the auditor.
- Describing the procedures of examining the interim information followed by the auditor.
- An approval from the auditor to make no fundamental modifications or changes to the requirements of generally accepted accounting standards.
- An approval from the auditor to show the auditing process of interim information in a short way without expressing an opinion on the validity and fairness of information of these statements.
- The procedures of auditing IFS are basically represented in applying analytical procedures directed to accounting matters that could affect these statements (Mustafa, 2004: 82) so as to improve credibility and increase the confidence of accounting information users in IFS (Mangena, 2004: 3-4).

Importance of reviewing IFS

The review of IFS is important for the following points (Fathi, Nermeen Mohamed, 2006 :75-78) & (Nasr and Other, 2008, 122-125):

- The review of these statements increases confidence in the users of information to make right economic decisions.
- This review boosts the economic revenue of these statements when making economic decisions by the users of accounting information.
- It leads to the evaluation of enterprises' activities.
- It helps in activating the external control over the capacity of management of enterprises to utilize their available resources.
- It leads to a reduction of distortion of annual profits and reporting the annual auditing on time.
- It saves time, costs and efforts of auditing AFS by the same chartered accountant conducting the review process of IFS.
- It leads to the discovery of fundamental distortions in these statements for the purpose of correction.
- The review of these statements helps creditors and lenders in expecting the capacity of enterprises in meeting their liabilities.
- It leads to the increase of reliance of financial consultants and analysts on the use of interim financial information in giving advice to investment decision makers.
- This review urges management to use the internationally recognized accounting principles in the preparation process of these statements.
- It leads to gaining the enough practical and scientific experience through getting knowledge of all accounting principles, practices and the nature of activities of enterprises.
- Studies have proved that such a review of provides reassurance to shareholders about their capital investment.
- The review of these statements leads to the obligation of enterprises to the right accounting standards of disclosure and measurement in the preparation of these statements.

Factors behind the growing demand for the review of IFS

Due to the economic and technological development in all sectors of life, especially the developments in stock markets, the growing demands for the review of IFS appeared for the following reasons (Sidi& Rabee,2011: 229-232), (Naser Ali&Al-Saed Shahatah, 2003,: 9-10) ,(Nasr .Ali Abdel Wahab, 2009: 132-133):

1. The increased demands for the review process from the accounting information users for increasing confidence in the content of these statements.

2. The economic crises witnessed in the global markets because of insufficiency of means of disclosures used in those markets have led to the development of principles of preparation and review of IFS by the international professional authorities.
3. The obvious differences in the practical processes of enterprises concerning the preparation and review of these statements have led to the emergence of International Auditing Standards with the aim of unifying the practical processes for the preparation and review of these statements.
4. The organizations and authorities controlling the stock markets have obliged the enterprises entered in these markets to prepare and review IFS according to locally and internationally recognized accounting principles.
5. Due to technology developments witnessed globally, the timely review has become an integrated and compulsory process and a purely professional service.
6. The globalization, privatization, governance and the emergence of huge shareholding companies, all have made the developing countries issue legislations and laws that oblige enterprises in public and private sectors to prepare and review IFS.
7. The emergence of internet technology and electronic business has led to the demands for the issuance of timely financial statements to be reviewed by independent chartered accountants.
8. The rarity of economic resources has made the big economic countries fight for making large investments through the modernization of traditional accounting means of disclosure (AFS) and the issuance of timely financial statements with the importance of review of these statements to go in line with the internationally recognized accounting standards.

Comparison between Annual Auditing and Interim Review :

Differences between the review of IFS and the audit of Annual Financial Statements (Jurgen P. Berendes, 2009: 9-11) , (IFAC, No 2410, 2014: par 2-6) ,(Shreem, Obaid and others, 2009: 213) , (Attia, Nashat Yassin, 1989, 43-46) can be clarified in the following table:

Table No. 1 : Comparison between Annual Auditing and Interim Review

The number	Aspects of Differences	Review of AFSs	Review of IFSs
1	Objective	To state the accuracy and fact of financial position and result of activity of enterprise.	To state that accounting policies that we use currently are the same as the accounting policies used previously.
2	Discovery of Errors	To confirm the absence of any significant errors.	To try to find out the matters that may affect the accuracy of these statements.

The number	Aspects of Differences	Review of AFSs	Review of IFSs
3	Scope	It covers the financial and performance positions.	It covers the financial positions.
4	Periodicity & Frequency	It is a periodic operation.	It is not a periodic operation.
5	Requesting Party	Enterprise's owners.	Enterprise's owners and others.
6	Main Beneficiary	Users and then management	Users and management equally
7	Required Standards	Commitment to the annual standards regarding auditing	Commitment to the limited standards regarding review.
8	Period of coverage	The whole annual period.	An interim period.
9	Evidence Procedures	Using different auditing procedures to reach a neutral opinion.	Having examinations and instruction inquires to the people who are in charge in enterprises to reach the desired conclusion.
10	Comprehensiveness	The annual auditing is comprehensive	The interim review is incomprehensive.
11	According to decision-making	The annual auditing is reliable in making important decisions such as the distribution of profits and estimating the taxes	The interim review is reliable in making investment decisions in the stock markets.
12	According to assurance	The annual auditing can assure the validity of financial statements of enterprise	The interim review can gain the benefits of information included in the IFS in making investment decisions especially in the stock markets.
13	According to the person conducting auditing and review processes	The annual auditing is being carried out by an independent auditor.	The interim review is being carried out by an independent chartered accountant.
14	According to obligation	The annual auditing sometimes is optional.	The interim review is also optional and obligatory for companies entered in the stock markets.

***Source: Compiled*

The compatibility of IFS with the requirements of ten auditing standards

Auditing is generally based on a coherent set of concepts, assumptions, objectives and policies that lead to criteria that define the nature and function of auditing and help to describe, explain, identify and analyze the auditor's decisions to be performed in accordance with internationally recognized principles or standards. Meanwhile, The International Professional Standards Committees on top of which the International Auditing Standard Committee, The US Institute of Accountants and the International Federation of Accountants, all have determined a set of auditing standards to be followed by the Chartered Accountant when conducting auditing process (Ali, Abdel Wahab Nasr and Shehata, 2003, 285-291) ,(William, Thomas and Henke Anderson, 2010, 1067).

Table No.2. : A Comparison of Traditional Auditing Standards and their Consistency with the limited Review of IFS:

Nos.	The standard	Valid	Invalid	The Reasons	Notes
1	Scientific qualification and professional competence	it is valid for the review of IFS.		It is included in standard No. 2410 and relevant US standards.	The auditors have also to be familiar with the professional issues for the review of IFS.
2	Independence and impartiality	it is valid for the review of IFS		independence and impartiality of references are one of basic professional requirements of Standard No. 2410.	
3	Required professional care	it is valid for the review of IFS		It is one of requirements of IAS No. 2410,	But the reviewer has a responsibility much lower than the auditor's does.
4	Proper planning regarding auditing and supervision of assistants	it is valid for the review of IFS		It is one of requirements of IAS No. 2410	But the planning is easier when reviewing the IFS than auditing the annual financial statements.
5	Assessment and getting knowledge of internal control structure		It is invalid for the review of IFS.	The annual auditing is broader and more comprehensive because the limited review depends on analytical procedures and inquiries only.	
6	Obtaining sufficient and appropriate evidence		It is invalid for the review of IFS.	The auditor does not give a neutral technical opinion when performing the limited review of IFS.	

Nos.	The standard	Valid	Invalid	The Reasons	Notes
7	Ensuring the application of internationally recognized accounting principles	it is valid for the review of IFS		It is one of requirements of IAS No. 34 and IAS No. 2410.	
8	Ensuring any change in the use of internationally recognized accounting principles	it is valid for the review of IFS		It is one of requirements of IAS No. 34 and IAS No. 2410.	
9	Ensuring the adequacy and compatibility of accounting disclosures	it is valid for the review of IFS		It is one of requirements of IAS No. 34 and IAS No. 2410.	
10	Giving an opinion about the financial statements as a single entity		It is invalid for the review of IFS.	The IAS and US auditing standards have no formal requirements for giving an opinion	The auditor of IFS has to issue a negative confirmation because the review is less comprehensive than auditing.

***Source: Compiled*

Difficulties facing the auditing and review process of financial statements:

Auditing and review process is basically a moral profession, so it is not strange for the chartered accountants and auditors to face many difficulties in practicing this profession. The most difficulties that may occur are as follows (Bamesmus, Abdullah Ahmed Omar, 2003, 161) :

- It is difficult to find a chartered accountant or an auditor characterized by full independent neutrality when he/she practices his/her job.
- The chartered accountant and auditor depend on their personal judgment and effort when estimating the predictable evidences. So, it is difficult for them to use their personal judgment and effort in estimating intangible evidences.
- It is impossible for users of financial statements in general and the investors in particular to prove the credibility of financial information included in the released financial statements without the auditing and review of these statements by an independent and neutral chartered accountant and auditor.

Data Analysis and Interpretation

After the discussion of the professional framework for reviewing Interim Financial Statements . This part is devoted to field study in order to evaluate the possibility of auditing the interim financial statements in accordance with International auditing Standards through the following:-

1: The study sample 2: Analysis of results and test hypotheses.**The sample of the study**

The researcher distributed the questionnaire on the study sample (Professors of accounting and auditing, professionals in the Central Organization for Control and Auditing, investors, directors of shareholding companies, financial managers in the shareholding companies, internal auditor and chartered accountants and auditors in accounting and auditing offices in Sana'a). The researcher also held meetings to clarify some inquiries concerning the questionnaire.

Table No.3 : Show the Study Sample

Sample groups	The Study Population in Sana'a	Study Sample			
		Targeted		Actual	
		Frequency	Percent	Frequency	Percent
Academics (accounting and auditing)	157	127	80.89%	113	88.98%
Chartered accounts (accounting and auditing offices)	278	225	80.94%	217	96.44%
Internal auditors	64	51	79.69%	44	86.27%
Investors (Shareholding Companies)	86	69	80.23%	52	75.36%
Financial Directors & Heads of Accounting and Auditing Departments in Shareholding Companies.	103	82	79.61%	64	78.05%
Member of the Central Organization for Control and Auditing (Professionals in COCA)	450	360	80%	285	79.17%
Total	1183	914	80.32 %	775	84.79 %

**Source: Payroll, attendance at colleges, COCA and companies, as well as the records of the Ministry of Industry and Commerce in Yemen .*

Analysis of Results**Materiality of IFS' review in enhancing the confidence in their users:**

The previous results of the study have shown the great importance of IFS as a source of information through achieving a set of objectives that help their users to make the right decisions from the viewpoints of the studied sample. In order to recognize the importance of IFS review in enhancing the confidence in their users to make the right decisions, we have prepared a statement containing a set of expected objectives to be achieved through the review of these interim statements. The studied sample were asked to determine the materiality of these objectives through their agreement or disagreement on them. The answers were limited to five alternatives ranging from strong agreement to strong disagreement, as it is clarified in Table No (4) below:

The Materiality of the Importance of IFS' Review in Enhancing the Confidence in Their Users, it is Ranked in Descending Order According to the Studied Samples' Opinions.

Sample groups Paragraphs	Academics						Chartered Accountants						Internal Auditors						Investors or directors of a company						Financial managers or heads of accounts						Members of COCA						The total		Degree of Importance
	AM		SD		AM		SD		AM		SD		AM		SD		AM		SD		AM		SD		AM		SD		AM	SD									
	AM	SD	AM	SD	AM	SD	AM	SD	AM	SD	AM	SD	AM	SD	AM	SD	AM	SD	AM	SD	AM	SD	AM	SD	AM	SD													
The Concurrent review of IFS helps to minimize errors discovered during annual auditing.	4.72	0.447	4.55	0.517	4.68	0.497	4.67	0.474	4.55	0.502	4.46	0.540	4.61	0.034	4.57	0.089	4.49	0.125	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	Agree				
IFS' review supports the confidence of the users of the interim financial information.	4.74	0.478	4.58	0.549	4.61	0.493	4.48	0.505	4.58	0.498	4.40	0.713	4.57	0.089	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	Strongly agree				
IFS' limited review contributes to compliance with accounting principles and rules by the companies when preparing these statements.	4.74	0.497	4.41	0.728	4.68	0.518	4.58	0.637	4.19	0.794	4.33	0.753	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	4.49	0.125	Agree				
IFS' specific review becomes an important monitoring means for shareholders on management.	4.66	0.529	4.44	0.629	4.57	0.625	4.50	0.603	4.42	0.586	4.16	0.730	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	4.46	0.066	Agree				
IFS' limited review provides a mechanism for continuous monitoring throughout the year on the activity of the enterprises.	4.44	0.915	4.47	0.720	4.27	1.020	4.63	0.715	4.55	0.502	4.32	0.828	4.45	0.181	4.45	0.181	4.45	0.181	4.45	0.181	4.45	0.181	4.45	0.181	4.45	0.181	4.45	0.181	4.45	0.181	4.45	0.181	4.45	0.181	Agree				
The IFS' review reduces the risk level in making decisions by investors in stock markets.	4.59	0.640	4.46	0.600	4.52	0.549	4.35	0.556	4.33	0.592	4.39	0.638	4.44	0.039	4.44	0.039	4.44	0.039	4.44	0.039	4.44	0.039	4.44	0.039	4.44	0.039	4.44	0.039	4.44	0.039	4.44	0.039	4.44	0.039	4.44	0.039	Agree		
IFS' review helps financial analysts to obtain trusted information on sales and income taxes.	4.53	0.726	4.39	0.630	4.45	0.730	4.40	0.693	4.30	0.494	4.38	0.561	4.41	0.096	4.41	0.096	4.41	0.096	4.41	0.096	4.41	0.096	4.41	0.096	4.41	0.096	4.41	0.096	4.41	0.096	4.41	0.096	4.41	0.096	4.41	0.096	Agree		
IFS' review reduces the impact of rumors in stock markets.	4.53	0.645	4.39	0.637	4.48	0.590	4.35	0.556	4.31	0.687	4.34	0.692	4.40	0.054	4.40	0.054	4.40	0.054	4.40	0.054	4.40	0.054	4.40	0.054	4.40	0.054	4.40	0.054	4.40	0.054	4.40	0.054	4.40	0.054	4.40	0.054	Agree		
This review increases the transparency of the information in the IFS.	4.45	0.954	4.52	0.679	4.34	0.939	4.15	0.849	4.44	0.531	4.42	0.626	4.39	0.176	4.39	0.176	4.39	0.176	4.39	0.176	4.39	0.176	4.39	0.176	4.39	0.176	4.39	0.176	4.39	0.176	4.39	0.176	4.39	0.176	4.39	0.176	Agree		
A review of IFS increases the comparability of the information.	4.36	0.974	4.39	0.865	4.48	0.762	4.37	0.742	4.36	0.484	4.31	0.669	4.38	0.168	4.38	0.168	4.38	0.168	4.38	0.168	4.38	0.168	4.38	0.168	4.38	0.168	4.38	0.168	4.38	0.168	4.38	0.168	4.38	0.168	4.38	0.168	Agree		
A review of the IFS' increases auditor's responsibility to disclose the events subsequent to the reporting date.	4.49	0.674	4.41	0.618	4.43	0.625	4.27	0.744	4.27	0.821	4.33	0.700	4.37	0.077	4.37	0.077	4.37	0.077	4.37	0.077	4.37	0.077	4.37	0.077	4.37	0.077	4.37	0.077	4.37	0.077	4.37	0.077	4.37	0.077	4.37	0.077	Agree		
IFS' review significantly affects the behavior of decision-makers, particularly shareholders.	4.42	0.613	4.25	0.846	4.48	0.792	4.52	0.754	4.25	1.076	4.23	0.765	4.36	0.153	4.36	0.153	4.36	0.153	4.36	0.153	4.36	0.153	4.36	0.153	4.36	0.153	4.36	0.153	4.36	0.153	4.36	0.153	4.36	0.153	4.36	0.153	Agree		
IFS' review contributes to reducing the cost and saving time when reviewing Annual Financial	4.60	0.638	4.45	0.719	4.14	1.112	4.42	0.776	4.20	0.912	4.32	0.629	4.35	0.186	4.35	0.186	4.35	0.186	4.35	0.186	4.35	0.186	4.35	0.186	4.35	0.186	4.35	0.186	4.35	0.186	4.35	0.186	4.35	0.186	4.35	0.186	Agree		

The results in table No (4) indicate the following:

1. The majority of objectives have underlined the importance of "Strongly agree" and "Agree", with an arithmetic mean of 4.61 - 3.58, and with standard deviations of 0.034 - 0.191, respectively. This shows the importance of those objectives as well as the importance of IFS' review in enhancing the confidence in their users.
2. It is evident from the table that the standard deviation for each objective above was low, which suggests that there was a consensus among respondents about the importance of IFS' review in enhancing the confidence in their users. It also shows the importance of IFS' review through the achievement of those objectives from the viewpoints of the studied sample.

Possibility of IFS' review in public and private sectors in Yemen in accordance with International Auditing Standards:

This section includes seven questions aiming primarily at determining the attitude of respondents towards the possibility of the review of IFS in the Yemeni enterprises. These questions are as follows: Assess the importance of the review of these statements? Assess the possibility of using International Auditing Standards for the review of these statements in Yemen? Assess the importance of using IAS No. 2410 for the review of these statements in Yemen? Assess the credibility of Standard No. 2410 with the Yemeni environment? Are there local standards regarding the review of these statements? Do you support the issuance of a local standard regarding the review of these statements in Yemen? This is clarified in Table No (5) below:

Table No (5)

Sample groups	Academics					Chartered Accountants	Internal Auditors	Investors or directors of a company	Managers or heads of accounts	Members of COCA	The total n _i	The total %	χ ²	χ ² Cru- Squar e of table	The results
	Very important	Important	Of average importance	Unimportant	Unimportant at all										
Paragraphs & Level of importance	78	23	1	1	1	118	23	36	35	156	446	63.35	25.61	31.41	NSS
	23	79	4	0	0	79	18	4	15	90	229	32.53			
	1	4	0	0	0	4	0	4	3	12	24	3.41			
If you agree with the possibility of preparing these statements in the public and private sectors in Yemen, assess the importance of the review of these statements.	1	1	1	1	1	5	0	0	1	0	3	0.43			
	1	0	0	0	0	0	0	1	0	0	2	0.28			
	104	202	41	45	54	258	704	100%					8.57	11.07	NSS
If you agree with the importance of IFS' review, assess the possibility of using IAS for the review of these statements in Yemen.	98	38	3	4	2	121	38	4	2	12	31	4.59			
	3	7	3	4	40	50	246	100%							
	101	197	41	40	94	283	44.72	21.38	288	44.72	31.41	NSS			
If your answer in the previous question is "Yes", assess the importance of using the International Auditing Standard No. 2410 for the review of these statements in Yemen.	60	17	2	2	2	81	17	23	25	126	303	47.05			
	31	8	3	1	2	45	27	7	23	3.57					
	2	3	2	0	1	5	16	2.48							
Assess the credibility of the International Auditing Standard No. 2410 with the Yemeni environment.	3	2	1	0	1	8	14	2.17							
	2	2	1	0	1	6	10	1.67							
	98	190	38	36	50	228	634	90.06	6.15	11.07	NSS				
If your answer in the previous question is "No", Are there local standards regarding the review of these statements?	97	185	36	38	50	228	634	90.06	6.15	11.07	NSS				
	7	17	5	7	4	30	70	9.9%							
	104	202	41	45	54	258	704	100%							
If your answer in the previous question is "No", do you support the issuance of a local standard regarding the review of these statements in Yemen?	0	0	0	0	0	0	0	0	0	0	0	0.00	1.41	11.07	NSS
	7	17	5	7	4	30	70	100.0							
	7	17	5	7	4	30	70	100%							
If your answer in the previous question is "No", do you support the issuance of a local standard regarding the review of these statements in Yemen?	5	15	5	7	3	23	58	82.86	3.95	11.07	NSS				
	2	2	0	0	1	7	12	17.14							
	7	17	5	7	4	30	70	100%							

* Source: Field survey

The results presented in the previous table show the following:

After the analysis of sample's answers, we have found that 63.35 % of respondents have believed in the great importance of the review of these statements, and 32.53 % of them believed in their importance. However, 3.41% believed in their average importance, and 0.71 % of respondents have not believed in the importance of the review of these statements. By analyzing these ratios, we can state that more than 95 % of respondents have believed in the importance of the review of IFS. This was reinforced by the absence of significant differences between the answers of the sample categories where X^2 have shown the consistency of their answers about the importance of review of these statements, if X^2 was calculated less than X^2 in the table. Therefore, the question that should be asked is "Assess the possibility of using international auditing standards for the review of these statements in Yemen?" According to the obtained results, 95.41% of respondents have generally encouraged the possibility of the review of IFS in the existing enterprises in Yemen, and 4.59 % have considered that as impossible. So, the majority of the study sample have encouraged the possibility of this review in accordance with International Auditing Standards, which will reinforce the absence of the significant differences. X^2 was calculated less than X^2 in the table, indicating the consistency of responses of the study sample of the six categories on the previous questions. As there are not auditing standards to regulate the process of preparing these statements in Yemen, the respondents were asked to determine the importance of using the International Auditing Standard No. 2410 for the review of these statements in Yemen.? From the obtained results, we found that 91.77% of respondents have seen to importance IAS No. 2410, 8.22 % of them do not believe to importance IAS No. 2410. To make sure if respondents' answers are stable about the possibility of this review in the Yemeni enterprises in accordance with Standard No. 2410, they were asked to "assess the credibility of Standard No. 2410 with the Yemeni environment". The obtained results show that 90.06 % of respondents confirmed that it goes in line with the Yemeni environment, while 9.94 % of them that it does not fit that. Therefore, they stated that it is important to issue a local standard to regulate the process of review of IFS. The analyses of the results concluded that the majority of respondents have believed that Standard No. 2410 is appropriate for the review of IFS which suits the Yemeni environment and enhance the absence of significant differences between the answers of respondents, which refers to the consistency of their answers. The researcher, here, stated that answers of this question can enhance the answers of the study sample about the previous questions, which in turn confirmed the possibility of IFS' review in accordance with the International Auditing Standards in Yemeni enterprises. However, it should be noted that 58 individuals of respondents have preferred to issue a local standard regarding this review, believing that Standard No. 2410 is not an appropriate one for the Yemeni environment.

The test of the sub-hypothesis

The following hypothesis states that "**There are no statistically significant differences between the different categories of study in relation to the materiality of objectives and characteristics of the review of IFS.**" The purpose of the above hypothesis is to identify the significant

differences between the average answers of the study sample regarding the importance of the review of IFS in achieving a set of objectives. The hypothesis was tested through the analysis of the questions' answers contained in the second section of the questionnaire by applying (Kruskal-Wallis H) so as to judge the level of significance of each question. Table No (6) shows the following results:

Table No (6) : Results of Kruskal-Wallis H, to Test the Differences in Respondents' Answers in Determining the Average Importance of Objectives Achieved by Reviewing IFS at an Abstract Level of 5%

Question No	Academics		Chartered Accountants		Internal Auditors		Investors or directors of a company		Financial managers or heads of accounts		Members of COCA		Kruskal-Wallis H	Sig	The result
	N	MR	N	MR	N	MR	N	MR	N	MR	N	MR			
4	113	379.60	217	384.13	44	328.50	52	340.31	64	324.65	285	321.1	50.61	0.462	NSS

Source: Field survey

Results in Table No (6), show that there were no statistically significant differences between the average answers of the study sample, where the with a Mean Rank level between 384.13 & 321.10, with K-W.H, 50.61, and calculated indication level 0.462, which was greater than the level of importance of 5%. This indicated the lack of statistically significant differences between the average answers of the study sample. This means that there was a similarity, consistency, and agreement on the importance of the review of IFS. Thus, the premise of nihilism is accepted stating that "There are no statistically significant differences between the different categories of study in relation materiality of objectives and characteristics of review of IFS".

Testing the Second hypothesis

This Second hypothesis states that "There is a possibility of auditing the IFS in Yemen in accordance with International Auditing Standards". The analysis of the descriptive (as shown in Table No.5) results of the study showed that more than 95% of respondents have believed raised the possibility of reviewing IFS in the Yemeni enterprises. This was supported by the lack of statistically significant differences between the answers of respondents, reflecting the consistency of these answers, where the percentage was greater than the assumed percentage (50%), which suggested the possibility of reviewing IFS in the Yemeni enterprises from the respondents' viewpoints. Moreover, the obtained results showed that the majority of the study sample, representing 90.06%, supported the use of International Auditing Standards when reviewing these statements. This was supported by the lack of statistically significant differences between the answers of respondents on what should be used for the review of IFS in Yemen, as this percentage of the study sample was larger than the supposed percentage (50%), indicating the agreement of respondents on the use of International Auditing Standards No. 2410, for the preparation of these statements.

According to what has been mentioned previously, the results indicated that the majority of respondents had an agreement on the possibility of the preparation of IFS in the Yemeni enterprises in

accordance with International Accounting Standards, which confirmed the validity of the third hypothesis that states: " There is a possibility of auditing the IFS in Yemen in accordance with International Auditing Standards."

Conclusions

- 1) The majority of respondents, representing 95.88%, have agreed on the importance of auditing IFS by auditors in order to inspire information user's confidence in these statements.
- 2) There is a consensus among all samples of the study about the possibility of interim financial statements ' review in public and private sectors in Yemen in accordance with International Auditing Standards suitability of IAS no 2410 for the environment of Yemen, According to the obtained results, 95.41% of respondents have generally encouraged the possibility of the review of IFS in the existing enterprises in Yemen, and 4.59 % have considered that as impossible.
- 3) The US Standards require that the independence of the auditor should be stipulated in the preparation of the IFS, and this was not mentioned in the international standard No. 2410, which stated that the status of independence is preferred but not compulsory, and this is contrary to what is mentioned international standard No. 2410 which mentioned that the auditor should be independent.
- 4) The relationship between the external auditor and the IFS is represented in his/her clarification on the result of auditing only, without expressing an opinion in conducting any fundamental amendments so as to match the generally accepted accounting standards. Therefore, the responsibility of external auditor is limited to issuing a report concerning IFS in the light of limited audit of these statements.
- 5) In case of not reviewing these statements by an external auditor, they will just become like periodicals, having no benefit .

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