

## Evaluation of Financial Reporting Standards Adaptation Process: Research for Professionals and Academicians\*

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### ABSTRACT

The formation and widespread use of standards to ensure international uniformity in the world is recognised as one of the most significant changes in financial reporting in the history of accounting. These changes and developments considerably impact professional members and accounting education, which are closely related to the adaptation process of standards. The purpose of this study is to examine the views of academicians and independent auditors who provide accounting education at universities in Turkey on the adaptation process of financial reporting standards. Data were obtained from 389 participants consisting of 164 academicians, 208 independent auditors and 17 academicians and independent auditors by questionnaire method. In the study, frequency analysis, normality test, reliability analysis, difference tests and statistical analyses related to hypotheses were performed. As a result of the analysis of the data, it is concluded that there is no difference of opinion between independent auditors and academicians on the general views on standards and the services provided by the relevant institutions on standards, but there is a difference of opinion on the level of effectiveness of POA on standards and general problems related to standards. The study found that while there is a common understanding of the importance of standards, there are differences of opinion on the implementation and oversight of standards

**Keywords:** Financial Reporting Standards, POA, Accounting Education

**Jel Classification:** M40, M41, M48

### Finansal Raporlama Standartları Adaptasyon Sürecinin Değerlendirilmesi: Meslek Mensupları ve Akademisyenlere Yönelik Bir Araştırma

#### ÖZET

Dünyada uluslararası alanda tekdüzeliliğin sağlanabilmesi için standartların oluşumu ve kullanımının yaygınlaşması, muhasebe tarihinde mali raporlamalarda önemli değişimlerden biri olarak kabul görmektedir. Yaşanan bu değişim ve gelişmeler, standartların adaptasyon süreciyle yakından ilgili olan meslek mensuplarını ve muhasebe eğitimini önemli ölçüde etkilemektedir. Bu çalışmanın amacı ülkemizdeki üniversitelerde muhasebe eğitimi veren akademisyenlerin ve bağımsız denetçilerin finansal raporlama standartları adaptasyon süreci konusundaki görüşlerinin incelenmesidir. 164 akademisyen, 208 bağımsız denetçi ve 17 akademisyen ve bağımsız denetçiden oluşan 389 katılımcıdan anket yöntemiyle veriler elde edilmiştir. Çalışmada verilerin analizinde frekans analizi, normallik testi, güvenilirlik analizi uygulanmış, fark testleri ile hipotezlere ilişkin istatistiksel analizler yapılmıştır. Verilerin analizi sonucunda standartlara ilişkin genel görüşler ve standartlar hakkında ilgili kurumlar tarafından sağlanan hizmetler konusunda bağımsız denetçiler ile akademisyenlerin görüş farklılığının olmadığı, KGK'nin standartlar konusunda etkinlik düzeyi ve standartlarla ilgili genel sorunlar konusunda görüş farklılığı olduğu sonucuna ulaşılmıştır. Çalışma; standartların önemi konusunda ortak bir anlayış olsa da, standartların uygulanması ve gözetimi konusunda görüş farklılığı olduğunu ortaya koymuştur.

**Anahtar Kelimeler:** Finansal Raporlama Standartları, KGK, Muhasebe Eğitimi

**JEL Sınıflandırması:** M40, M41, M48

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## 1. INTRODUCTION

In the early 2000s, accounting and auditing scandals in the USA and European countries accelerated the process of harmonisation with the standards issued by the IASB. In 2002, the European Union (EU) made it mandatory for entities listed on the stock exchanges of member countries to apply IFRS as of January 2005 (Aysan, 2008: 46). The mandatory adoption of IFRS by the EU has been a significant factor in the widespread adoption of IFRS. The EU decision initiated a process of adoption in other countries, creating a domino effect that has led to the establishment of a single set of standards worldwide (Kotlyar, 2008: 232).

Turkey has also been affected by these global developments. The Uniform Accounting System (UAS) under the General Communiqué on Accounting System Implementation, published in 1992 and mandatory since 1994, is the first standardised accounting and reporting initiative covering the majority of enterprises (Kalaycı et al., 2005: 174). The TDMS met the accounting and reporting needs of companies and stakeholders and established a common language at the national level (Cavlak and Ataman, 2023: 226). However, the reports prepared with this system were based on the Tax Procedure Law assessment measures, which did not fulfil the purpose of providing comparable, real and relevant information (Gücenme Gençoğlu, 2020: 188) and were insufficient to meet the developments in the international arena.

The harmonisation of financial reporting with international developments commenced with the Turkish Accounting and Auditing Standards Board (TAASB) and subsequently disseminated to the grassroots level with the introduction of the Financial Reporting Standard for Small and Micro Enterprises (FRS for SMEs) (Cavlak and Ataman, 2023: 226).

The establishment of IFRS-compliant standards commenced with the establishment of TAASB in 1994 under the leadership of TURMOB (Erol and Aslan, 2017: 66). In 1999, the Turkish Accounting Standards Board (TASB) was established. The standards published by TAASB constituted an essential foundation for the studies conducted by TASB (Gökçen et al., 2015: 123). TASB aimed to establish standards in compliance with IFRS in order to ensure harmonisation with worldwide developments. In this context, it has taken a principle decision to apply the IFRS set exactly (Akdoğan, 2007: 102). The role of TASB was subsequently superseded by the establishment of the Public Oversight, Accounting and Auditing Standards Authority (POA) in 2011, as set out in Decree Law No. 660. The POA, which was authorised to publish TFRS/TASs, defined the institutions that should apply these standards in their individual and consolidated financial statements. Furthermore, it stated that the scope of use of the standards would be expanded and that TFRSs would be taken as the basis in the audits of enterprises in the future (Gökçen et al., 2015: 125). In this process, the scope of application is limited to public interest entities (PIEs) (Gücenme Gençoğlu, 2020: 188).

In 2017, the POA published the Financial Reporting Standard for Large and Medium-Sized Enterprises (FRS for LMEs) for enterprises that are subject to independent audit but are not obliged to apply the TAS or TFRS in the preparation of their financial statements. The implementation of FRS for LMEs was made compulsory as of 2018. The FRS for LMEs will be applied by enterprises that are not listed on stock exchanges and do not have public accountability (Doğan, 2017: 771). Finally, in January 2023, the POA issued FRS for SMEs for enterprises that are not subject to independent audit and do not apply TAS/TFRS and FRS for LMEs on a voluntary basis (POA, 2023: 3). It is thus anticipated that enterprises will utilise the

most appropriate standard in accordance with their scale. Furthermore, the POA has developed a reporting framework for participation banks and participation insurance companies. These standards, designated as Participation Finance Accounting Standards (PFAS), were published in 2019 and implemented as of 2020.

The rapid dissemination of IFRSs across the globe, including in our own country, is regarded as one of the most significant developments in the history of accounting. These changes are closely intertwined with the IFRS adaptation process and the evolution of accounting education. These developments have led to the necessity for competence and training in the application of IFRSs for both accounting professionals and students who are potential accounting professionals (Duruer et al., 2016: 76). Academic studies have revealed that, in addition to accounting standards, the factors that drive the financial reporting system, such as the level of development of a country's financial market, capital structure, ownership structure, tax system, and legal and political systems, also influence the IFRS adaptation process. Therefore, it is crucial for countries to have an effective financial reporting infrastructure to ensure the successful adaptation of IFRS (Ateş, 2018: 262).

The main purpose of this study is to examine the views of academicians and independent auditors who give accounting education at universities in our country on the adaptation process of Financial Reporting Standards (TAS/IFRS, BOBI FRS, KUMI FRS, FFMS) and to reveal whether there is a difference between the views of those who theoretically handle and apply the standards in question. Data were obtained from 389 participants, 164 of whom were academicians, 208 of whom were independent auditors and 17 of whom were both academicians and independent auditors, through questionnaire method. Frequency analysis, normality test, reliability analysis were applied in the analysis of the data; statistical analyses related to hypotheses were performed with difference tests. In line with the purpose of the study, the opinions of the participants were evaluated by forming scales as general views on standards, services provided by the relevant institutions on standards, general problems related to standards, and the level of effectiveness of POA on standards.

## **2. LITERATURE REVIEW**

A number of national and international studies on harmonisation with international accounting standards have been conducted. A summary of these studies is provided below.

Bekçi (2007) explained the evolution of accounting standards in Turkey and the process of aligning these standards with international accounting norms. He sought to ascertain the perspectives and perceptions of professional accountants in this regard. As a result of the analysis of the data obtained from the questionnaire method, the members of the profession stated that TAS and IAS should be harmonised one-to-one, uniformity in financial statements will be ensured with the application of TAS, and different sector financial statements can be compared. In addition, the members of the profession stated that they believe that they will achieve success in a short time if the standards are implemented and that separate standards should be prepared for SMEs.

The objective of the study by Erdoğan and Dinç (2009) was to ascertain the level of knowledge of accounting professionals about the accounting standards published in their study, the extent to which professional members utilise their existing knowledge in practice and

whether there is a difference between the opinions of professional members. To this end, surveys were conducted in at least one city representing each region, and the results of these surveys were analysed.

The objective of Armstrong et al. (2010) is to analyse the developments related to IFRS adoption in Europe and the reactions of European stock markets. The study finds that the reactions to the adoption of IFRSs differ in terms of banks, firms and investors. Prior to the adoption of IFRSs, it was found that businesses with low information quality and high information asymmetry reacted positively to the adoption of IFRSs. These findings are consistent with the hypothesis that investors expect IFRSs to improve the quality of information for these entities. Similarly, the results are consistent with the hypothesis that banks with low information quality responded more favourably. However, it is concluded that businesses operating in EU harmonisation countries, where the implementation of accounting standards is likely to be weaker, react negatively to the adoption of IFRSs.

In their study, Çankaya and Hatipoğlu (2011) evaluated the factors affecting the adoption and application of IAS/IFRSs by analysing the studies conducted in national and international literature. Çalışmada meslek mensuplarından elde edilen verilerin analizinde Türkiye'deki muhasebe meslek mensuplarının UMS/IFRS'lerin uygulanabilirliğine ilişkin görüş veya beklentileri ortaya koymuştur.

Albu et al (2011) analysed the IAS/IFRS applications of Romania, a developing country. The study analysed the data obtained from in-depth semi-structured interviews and secondary data including accounting regulations related to IAS/IFRS regulations. At the end of the study, he argued that IAS was implemented compulsorily due to external factors, but the applications were limited and brought significant changes compared to the previous period.

In their 2013 study, Stoner and Sangster examined the growing importance of IFRS in the UK higher education environment and its implications for accounting education. The paper presents a summary of the relevance of diversity in accounting education to the accounting profession and an assessment of the approaches adopted in UK undergraduate accounting programmes in the context of the transition from national reporting to IFRS. The findings indicate that adjustments in terminology, definitions, different arrangements, and the incorporation of IFRS into the curriculum have been limited, resulting in a narrow impact.

In their study, Fox et al. (2013) aimed to analyse IFRS implementations in terms of costs and benefits and to evaluate the IFRS adoption processes of countries with different social, economic and political backgrounds. For this purpose, it analysed the data obtained from the preparers, users and auditors of reports and accounting regulators in the United Kingdom and Italy using the interview technique. At the end of the study, he stated that IFRS practices differ among stakeholders in different countries.

Tsunogaya et al. (2015) examined the problems associated with the adoption of IFRS in Japan. The findings of the study indicate that the mandatory adoption of IFRS for all listed companies in Japan will cause problems. The major issues identified include the IFRS endorsement process, the interpretation of IFRS by Japanese accountants, and the translation of IFRS into Japanese. The study suggests that standard setters should pursue two objectives. These are to enhance the international comparability of financial reporting and to maintain

institutional complementarity between financial reporting and other infrastructures such as accounting laws.

The objective of the study conducted by Gökçen and colleagues (2015) was to assess the alignment of accounting standards courses and content with the TAS/TFRS in the undergraduate curriculum of public universities in Turkey. In this context, the objective was to develop course content for the relevant undergraduate programmes at universities with a view to addressing the shortcomings identified in the teaching of accounting standards.

Erol and Aslan (2017) theoretically analysed IAS/IFRSs in their study. In the study, the historical development, reasons for the emergence, benefits and importance of IAS/IFRSs are explained and the studies carried out in the world and in Turkey for the determination of accounting standards are evaluated.

Doğan and Abdurrahmani (2018) evaluated the development process of Kosovo accounting history in their study, and gave information about the applications related to inventories, tangible fixed assets, intangible fixed assets and investment property published and implemented in Kosovo in compliance with international accounting standards.

The objective of the study by Alhaddad and Ay (2019) was to examine the level of compliance with IAS disclosure requirements of Turkish manufacturing enterprises listed on the BIST, and to determine the effect of business factors on the level of compliance. The study was based on the annual accounts and reports of the enterprises and analysed using descriptive statistics and regression analysis. The results indicated that compliance levels were positively related to enterprise size.

### **3. METHODOLOGY**

This section presents the research model, sample, limitations, data collection and analysis.

#### **3.1. Research Model**

In this study, the relational survey model, which is one of the quantitative research methods, was employed to ascertain the relationship between the demographic variables of the participants and the variables of general opinions on standards, general problems related to standards, services provided by the relevant institutions about standards and the level of effectiveness of POA regarding the effectiveness of standards. With this model, it is aimed to reveal the existence or level of change between two or more variables together.

#### **3.2. Sample and Limitations of the Research**

The research population is comprised of academicians who provide accounting education and independent auditors authorised by the POA. It was determined that there are 19.578 independent auditors authorised as of 31 December 2023 through the POA website and 1.279 academicians in the accounting department in the field of social and human sciences through the Council of Higher Education Academic system. Consequently, the principal focus of the study was determined to be 20.857.

The Formula  $n = \frac{Nz^2pq}{d^2(N-1)+z^2pq}$  was used to calculate the sample size of the research according to 95% confidence interval and 5% sampling error (Işık, 2008: 154). The sample of the research was calculated as,  $n = \frac{20857(1,96)^2(0,5 \times 0,5)}{(0,05)^2(20857-1)+(1,96)^2(0,5 \times 0,5)} = 377$ . Since the number of participants (389) exceeded the sample size (377), it was supported that the number of participants was sufficient.

The research is limited by the fact that the main population consists of academicians who provide accounting education at universities and independent auditors who perform independent auditing activities. As the principal objective of the study is to assess the process of standardisation, the scope excludes those academics whose teaching specialism is not accounting at the university level. Furthermore, professionals who lack independent audit authorisation are excluded from the study's scope.

### **3.3. Research Data Collection**

In accordance with the objectives of the research and in order to ascertain the opinions of the respondents, a questionnaire was devised as a measurement instrument and administered online. The first part of the questionnaire form, which is organised in five sections, includes statements about the personal characteristics of the participants. Next section of the survey pertains to the respondents' general views on the standards (TAS/TFRS, FRS for LMEs, FRS for SMEs, IFFAS). The third section addresses the services provided by the relevant institutions in relation to the standards. The fourth section covers general problems related to the standards. Finally, the fifth section includes statements designed to test the level of effectiveness of the POA in relation to the standards. The scales used in the questionnaire form prepared according to a 5-point Likert scale (1: Strongly Disagree, 5: Strongly Agree) were prepared by utilising the scales used by Kaya et al. (2022), Keskin (2021) and Arslan and Erkuş (2004). Among these scales, Kaya et al. (2022) and Arslan and Erkuş (2004) were used for the scale of General Opinions on Standards, Services Provided by Relevant Institutions on Standards and General Problems with Standards, and Keskin (2021) was used for the scale of the level of effectiveness of POA on standards.

### **3.4. Analysis of the Research**

The data collected within the scope of this study were transferred to the SPSS programme and frequency analysis, normality test, difference tests and reliability analysis were performed. In the study, the responses provided by the participants to the initial section of the study, which included personal and demographic information, were evaluated using frequency and percentage analysis. In the subsequent stage, frequency and percentage analyses of the statements in the scales were conducted, and the results were evaluated. The skewness and kurtosis coefficients were examined to ascertain whether the data exhibited a normal distribution. A reliability analysis was conducted to assess the consistency of the statements in the scales and to determine whether all of the statements measured the same subject. In this context, the reliabilities of the scales were analysed through Cronbach's alpha. A reliability coefficient  $\alpha \geq 0.70$  indicates that the scale is reliable (Büyüköztürk, 2010: 171). The reliability coefficients of the scales measuring general opinions on standards ( $\alpha = 0.766$ ), services provided by relevant institutions about standards ( $\alpha = 0.863$ ), general problems related to

standards ( $\alpha = 0.765$ ) and the level of effectiveness of POA on standards ( $\alpha = 0.861$ ) were found to be reliable.

**4. FINDINGS**

**4.1. Findings Regarding the Sampling**

The data obtained from 389 participants were subjected to analysis. The results of this analysis revealed that 230 (59.1%) of the participants were male and 159 (40.9%) were female, in accordance with the distribution of their responses to the personal characteristics of the participants. The age distribution of the participants revealed that 44 (11.3%) were below the age of 30, 214 (55%) were between 30 and 50 years old, and 131 (33.7%) were above the age of 50. A total of 129 (33.2%) participants hold a Bachelor's degree, 90 (23.1%) have obtained a Master's degree, and 170 (43.7%) have a Doctorate degree. Of the participants, 164 (42.2%) are Academicians, 208 (53.5%) are Independent Auditors, and 17 (4.4%) are Academicians and Independent Auditors. A total of 68 participants (17.5%) have less than five years of professional experience, 39 (10.0%) have between five and ten years, 60 (15.4%) have between 11 and 15 years, 67 (17.2%) have between 16 and 20 years and 155 (39.8%) have more than 21 years of professional experience.

**4.2. Frequency Distributions of Scales**

A frequency analysis was conducted to ascertain the opinions and attitudes of the respondents who participated in the questionnaire, which was designed in accordance with the objectives of the study. The questionnaire addressed the respondents' general views on standards, the services provided by the relevant institutions in this regard, general problems related to standards, and the level of effectiveness of POA in addressing standards.

**Table 1.** General Views on the Standards

	<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
1	Not all of the standards adopted are crucial.	2,967	1,244
2	The use of standards in financial reporting improves the quality of the financial information presented.	4,334	0,750
3	Standards have facilitated the work of internal and external auditors and made it easier to detect errors and frauds.	3,851	0,808
4	Standards facilitate auditing.	3,902	0,888
5	Standards enhance comparability.	4,206	0,759
6	Standards develop a common language.	4,257	0,815
7	Standards promote accountability.	4,026	0,858
8	It was easy for me to adapt to the standards-based practice.	3,676	0,857

Upon analysis of the average responses of participants to statements on the General Opinions on Standards scale, it can be observed that the statement "The use of standards in financial reporting increases the quality of the financial information presented" has the highest average (4.334), while the statement "Not all of the adapted standards are very important" has the lowest average (2.967).

**Table 2.** Services Provided by Relevant Authorities on Standards

	<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
1	Adequate training on standards is provided at undergraduate and graduate level.	2,851	1,132
2	Relevant institutions (Professional Chambers, POA, CMB and educational institutions... etc.) organise adequate professional training programmes on standards.	3,111	1,154
3	Relevant organisations regularly conduct surveys on the requested issues related to standards.	2,679	1,058
4	Web pages of the relevant institutions (POA, CMB, BRSA, etc.) contain sufficient resources on standards and fair value.	3,383	1,116

Upon analysis of the responses of the participants to the statements in the ‘Services Provided by Relevant Institutions on Standards’ scale, it can be observed that the statement ‘The web pages of the relevant institutions (POA, CMB, BRSA... etc.) contain sufficient resources on standards and fair value’ has the highest mean (3.383), while the statement ‘Relevant institutions regularly conduct surveys on requested issues related to standards’ has the lowest mean (2.679).

**Table 3.** General Problems Related to Standards

	<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
1	The standards have been adapted under pressure from international organisations.	3,671	1,146
2	With the transition to standards, companies and educational institutions experienced problems in terms of technical and professional staff.	4,098	0,894
3	Standards make financial reporting too bureaucratic.	3,499	0,986
4	The standards contain overly detailed definitions.	3,802	1,074
5	Standards restrict freedom of movement in financial reporting.	3,165	1,081
6	Due to the transition to standards, the workload of accounting staff and accounting department lecturers has increased.	3,794	1,181
7	The inclusion of a chart of accounts in the standards will facilitate their implementation and understandability.	4,280	0,987

Upon analysis of the responses of the participants to the statements in the ‘General Problems Related to Standards’ scale, it can be observed that the statement with the highest mean is ‘The inclusion of a chart of accounts in the standards will facilitate their implementation and understandability’ (4,280), while the statement with the lowest mean is ‘The standards restrict the freedom of movement in financial reporting’ (3,165).



**Table 4.** Level of effectiveness of POA on standards

	Statements	Mean	Std. Deviation
1	The formation of the POA has contributed to making financial statements more transparent and understandable.	3,738	1,068
2	The POA should pay more attention to the rules of professional ethics and impose more sanctions on those found to be in breach.	3,941	1,009
3	The POA imposes the necessary sanctions as a result of its examination and audit activities.	3,902	1,062
4	Following the accounting and auditing standards issued by POA, it should provide trainings on these standards.	4,448	0,801
5	POA should emphasise continuous training activities.	4,280	0,858
6	With the FRS for SMEs issued by POA after TAS/TFRS and FRS for LMEs, harmonisation in financial reporting has spread to the base.	3,265	1,111
7	The mandatory training for auditors organised by the POA is a satisfactory effort.	3,743	1,237
8	Public disclosure of surveillance and audit reports issued by the POA increases the trust in the organisation and audit firms.	4,152	1,020
9	The POA should carry out activities to improve the quality of financial reporting and supervision of audits.	4,190	0,818

When the averages of the responses of the participants to the statements in the "Level of effectiveness of POA on standards" scale are analysed; the statement with the highest mean is "POA should provide trainings on accounting and auditing standards following the accounting and auditing standards published by POA" (4,448), and the statement with the lowest mean is "Harmonisation in financial reporting has spread to the base with the FRS for SMEs published by POA after TAS/TFRS and FRS for LMEs " (3,265).

### 4.3. Normality Test for Scales

A variety of techniques are employed to ascertain whether the data are normally distributed. In research, the Shapiro-Wilk test is a frequently utilized approach. However, another frequently employed method is the examination of skewness and kurtosis values (Yazıcıoğlu & Erdoğan, 2007: 192-193). George and Mallery (2016) posit that skewness and kurtosis values between +1 and -1 are suitable for parametric tests, while values between +2.0 and -2.0 are generally acceptable.

The Skewness value (-0.431) and Kurtosis value (0.944) of the scale of general opinions on standards are normally distributed. Similarly, the Skewness value (-0.363) and Kurtosis value (-0.372) of the scale of services provided by the relevant institutions about the standards are also normally distributed. The Skewness value (-,263) and Kurtosis value (-,600) of the scale of general problems related to standards are normally distributed. However, the Skewness value (-1,465) and Kurtosis value (2,998) of the scale of the level of effectiveness of POA on standards are not normally distributed.

Parametric tests, specifically the independent sample t-test and the ANOVA test, were employed to analyse the scales pertaining to general opinions on standards, the services provided by relevant institutions in relation to standards, and general problems related to standards, which exhibited a normal distribution. In contrast, non-parametric tests, namely the Mann Whitney U and Kruskal Wallis tests, were utilised to assess the scale pertaining to the level of effectiveness of POA on standards, which did not display a normal distribution.

#### **4.4. Statistical Analysis Results for Hypotheses**

The hypotheses related to the research topic are as follows:

H<sub>1</sub>: The opinions of the participants regarding the general views on standards differ according to gender.

H<sub>2</sub>: The opinions of the participants regarding the general problems related to the standards differ according to gender.

H<sub>3</sub>: The opinions of the participants regarding the services provided by the relevant institutions about the standards differ according to gender.

H<sub>4</sub>: The opinions of the participants regarding the level of effectiveness of the POA on standards differ according to gender.

H<sub>5</sub>: The opinions of the participants regarding the general views on standards differ according to age.

H<sub>6</sub>: The opinions of the participants regarding the general problems related to the standards differ according to age.

H<sub>7</sub>: The opinions of the participants regarding the services provided by the relevant institutions about the standards differ according to age.

H<sub>8</sub>: The opinions of the participants regarding the level of effectiveness of the POA on standards differ according to age.

H<sub>9</sub>: The opinions of the participants regarding the general views on standards differ according to their educational status.

H<sub>10</sub>: The opinions of the participants regarding the general problems related to the standards differ according to their educational status.

H<sub>11</sub>: The opinions of the participants regarding the services provided by the relevant institutions about the standards differ according to their educational status.

H<sub>12</sub>: The opinions of the participants on the level of effectiveness of the POA on standards differ according to their educational background.

H<sub>13</sub>: The opinions of the participants regarding the general views on standards differ according to professional seniority.

H<sub>14</sub>: The opinions of the participants regarding the general problems related to the standards differ according to professional seniority.

H<sub>15</sub>: The opinions of the participants regarding the services provided by the relevant institutions about the standards differ according to their professional seniority.

H<sub>16</sub>: The opinions of the participants regarding the level of effectiveness of the POA on standards differ according to professional seniority.

H<sub>17</sub>: There is a difference of view between academicians and accounting professionals regarding the general views on standards.

H<sub>18</sub>: There is a difference of view between academicians and accounting professionals regarding the general problems related to standards.

H<sub>19</sub>: There is a difference of view between academicians and accounting professionals regarding the services provided by the relevant institutions on standards.

H<sub>20</sub>: There is a difference of view between academicians and accounting professionals regarding the level of effectiveness of POA on standards.

The study aimed to determine whether there was a statistically significant difference between the scores of the participants on the scales of general opinions about standards, services provided by the relevant institutions about standards, and general problems related to standards according to gender. This was achieved through the use of the independent sample t-test, a parametric test.

**Table 5.** T-Test According to Gender Variable

	Gender	N	Mean	t value	p
General views	Female	159	31,0255	-0,628	0,531
	Male	230	31,3087		
Services provided by the organisations	Female	159	12,5472	-2,204	0,028
	Male	230	11,7105		
General issues	Female	159	25,6730	2,176,	0,030
	Male	230	26,7478		

\*p<0,05

As a result of the analysis, it was determined that there was no significant difference in the general opinions scale according to the gender of the participants ( $t = -0,628, p = 0,531 > .05$ ), but there was a significant difference in the general problems and services provided by the institutions ( $t = -2,204, p = 0,028 < .05$ ;  $t = 2,176, p = 0,030 < .05$ ). In the general problems scale, the mean score of male participants (26,7478) was higher than the mean score of female participants (25,6730). In the scale of services provided by the institutions, the mean score of female participants (12,5472) was higher than the mean score of male participants (11,7105). Hypothesis 1 (H<sub>1</sub>) is therefore rejected, while hypotheses 2 (H<sub>2</sub>) and 3 (H<sub>3</sub>) are accepted.

Gender plays an important role in shaping perspectives on financial reporting standards. Differences in experiences, communication styles, and perceptions of authority between male and female participants contribute to a different understanding of the challenges and opportunities in the adaptation process.

**Table 6.** Mann Whitney U Test by Gender Variable

	Gender	N	Mean Rank	Sum of Ranks	Z	U	p
Level of effectiveness of POA on standards	Female	159	206,82	32470	-2,029	15.729,00	0,042
	Male	230	183,49	41835			

\*p<0,05

The results of the analysis indicated a statistically significant difference between the gender of the participants and the scale total (U=15.729,00; p = 0.042 < 0.05). Female participants (206.82) exhibited a higher mean score than male participants (183.49). Consequently, H4 is accepted.

**Table 7.** One-Way Analysis of Variance (ANOVA) According to Age Variable

	Age	N	Mean	F value	p
General views	Under 30 years	44	30,8182	0,195	0,823
	30-50	214	31,2150		
	Over 50 years	131	31,2168		
Services provided by the organisations	Under 30 years	44	12,0455	0,443	0,642
	30-50	214	11,9057		
	Over 50 years	131	12,2977		
General issues	Under 30 years	44	28,3188	25,621	0,000
	30-50	214	24,8411		
	Over 50 years	131	28,0305		

\*p<0,05

The results of the analysis indicated that there was no significant difference in the general opinions on standards and the services provided by the relevant institutions regarding standards, according to age (F = 0.195, p = 0.823 > 0.05; F = 0.443, p = 0.642 > 0.05). The general problems scale demonstrated a significant difference according to age (F = 25.621, p = 0.000 < 0.05), with participants aged 30-50 differing from those in the younger and older age groups. Hypotheses H5 and H7 were rejected, while hypothesis H6 was accepted.

This result is similar to the study conducted by Kaya et al. From this point of view, it is seen that the level of participation of the participants between the ages of 30-50 increases in the scale of general problems related to standards compared to other age groups. Participants aged 50 years and above have more professional experience, which may enable them to easily understand the complexities of the standards and have detailed perspectives. Participants under 30 years of age may have a different perspective on the necessity and implementation of the standards since they have received the educational curriculum on the standards. Participants

between 30 and 50 years of age show resistance to change in professional practices and differ from other age groups in terms of adaptation.

**Table 8.** Difference Test According to Age Variable (Kruskal-Wallis H)

	Age	N	Mean Rank	sd	X <sup>2</sup>	p
Level of effectiveness of POA on standards	Under 30 years	44	234,41	2	7,624	0,022
	30-50	214	183,70			
	Over 50 years	131	194,00			

\*p<0,05

The results indicated a statistically significant difference between the age of the participants and the scores they received from the scale of the level of effectiveness of POA on standards ( $\chi^2(2) = 7,624; p = 0.022 < 0.05$ ). Pairwise comparison tests were applied to determine the groups that exhibited a statistically significant difference. The results indicated that participants under the age of 30 exhibited a statistically significant difference compared to participants between the ages of 30 and 50. No significant difference was observed between the other groups. Therefore, H8 is accepted.

**Table 9.** One-Way Analysis of Variance (ANOVA) According to Education Status Variable

	Education	N	Mean	F value	p
General views	Undergraduate	129	31,3256	1,283	0,278
	Graduate	90	31,7000		
	Doctoral	170	30,8014		
Services provided by the organisations	Undergraduate	129	11,9535	2,399	0,092
	Graduate	90	12,7889		
	Doctoral	170	11,7381		
General issues	Undergraduate	129	27,5271	22,387	0,000
	Graduate	90	27,8333		
	Doctoral	170	24,5765		

\*p<0,05

The analysis revealed that the general opinions on standards and the services provided by relevant institutions regarding standards did not differ significantly according to educational status ( $F = 1,283, p = 0.278 > 0.05; F = 2,399, p = 0.092 > 0.05$ ). The general problems scale demonstrated a significant difference according to educational status ( $F = 22,387, p = 0.000 < 0.05$ ), with participants holding a doctorate degree differing from those holding undergraduate and graduate degrees. Hypotheses H9 and H11 were rejected, while hypothesis H10 was accepted.

**Table 10.** Difference Test According to Education Status Variable (Kruskal-Wallis H)

	Education	N	Mean Rank	sd	X <sup>2</sup>	p
Level of effectiveness of POA on standards	Undergraduate	129	174,71	2	6,907	0,032
	Graduate	90	190,21			
	Doctoral	170	208,73			

\*p<0,05

The results indicated a statistically significant difference between the educational level of the participants and the scores they received from the scale of the level of effectiveness of the POA on standards ( $\chi^2(2) = 6.907; p=0.032 < 0.05$ ). Pairwise comparison tests were applied to determine whether there were any significant differences between the groups. It was determined that there was no significant difference between the other groups in which the participants with undergraduate and doctoral degrees differed. Therefore, H12 is accepted.

**Table 11.** One-Way Analysis of Variance (ANOVA) According to Professional Seniority Variable

	Professional Seniority	N	Mean	F value	p
General views	Under 5 years	68	31,0294	0,895	0,467
	6-10	39	31,4615		
	11-15	60	31,1667		
	16-20	67	32,0249		
	Over 21 years	155	30,8497		
Services provided by the organisations	Under 5 years	68	12,6765	1,237	0,295
	6-10	39	11,5641		
	11-15	60	11,4333		
	16-20	67	11,800		
	Over 21 years	155	12,2516		
General issues	Under 5 years	68	27,4412	10,645	0,000
	6-10	39	25,2564		
	11-15	60	24,1333		
	16-20	67	24,6418		
	Over 21 years	155	27,6388		

\*p<0,05

The results of the analysis indicated that there was no significant difference in the general opinions on standards and the services provided by the relevant institutions regarding standards, according to professional seniority. This was evidenced by the F-values of 0.895 and 1.237, with p-values of 0.467 and 0.295, respectively, which were both greater than 0.05. The general problems scale demonstrated a significant difference according to professional seniority ( $F = 10.645, p = 0.000 < .05$ ). The group with five years or less professional seniority differed from the other groups. The 11-15, 16-20 group exhibited a significant difference with the 6-10, 11-15, 16-20 group. The proposals H13 and H15 were rejected, while the proposal H14 was accepted.

Parallel to the age variable, those with 21 years or more of professional seniority may have a more positive perspective on the adaptation process as they may believe that they can effectively manage the changes. Participants with less than 5 years of experience may not have

any problems adapting as they have received training on the standards. However, those with 5 to 20 years of experience may have difficulty in adopting new regulations, which may lead them to approach the compliance process more cautiously.

**Table 12.** Difference Test According to Professional Seniority Variable (Kruskal-Wallis H)

	Professional Seniority	N	Mean Rank	sd	X <sup>2</sup>	p
Level of effectiveness of POA on standards	Under 5 years	68	216,53	4	10,387	0,034
	6-10	39	224,68			
	11-15	60	197,29			
	16-20	67	170,52			
	Over 21 years	15 5	182,53			

\*p<0,05

The results indicated a statistically significant difference between the professional seniority of the participants and the scores they received from the scale of the level of effectiveness of the POA on standards ( $\chi^2(2) = 10,387$ ;  $p=0.034 < 0.05$ ). Pairwise comparison tests were applied to determine the groups in which the difference was observed. It was determined that participants with five years or less of professional seniority differed from participants in the 16-20 and 21 and over groups. Participants with six to ten years of professional seniority differed from participants in the 16-20 group. No significant difference was observed between the other groups. Therefore, H16 is accepted.

**Table 13.** One-Way Analysis of Variance (ANOVA) According to Profession Variable

	Profession	N	Mean	F value	p
General views	Academician	164	31,3457	0,322	0,725
	Independent Auditor	208	31,0385		
	Academician and I. Auditor	17	31,6471		
Services provided by the organisations	Academician	164	12,1481	0,888	0,412
	Independent Auditor	208	12,0769		
	Academician and I. Auditor	17	10,8824		
General issues	Academician	164	24,0732	42,098	0,000
	Independent Auditor	208	28,1731		
	Academician and I. Auditor	17	25,0588		

\*p<0,05

The analysis revealed that the general opinions on standards and the services provided by relevant institutions regarding standards did not exhibit a significant difference according to profession ( $F = 0.322$ ,  $p = 0.725 > 0.05$ ;  $F = 0.888$ ,  $p = 0.412 > 0.05$ ). The general problems scale demonstrated a significant difference according to profession ( $F = 42.098$ ,  $p = 0.000 < 0.05$ ). The independent auditor participants differed from the academician, academician, and independent auditor participant group. Hypotheses 17 and 19 were rejected, while hypothesis 18 was accepted.

Independent auditors have hands-on experience in the application of standards. Independent auditors look at general problems related to standards with a more critical eye, as they may encounter various difficulties and inconsistencies during audits. However, academics approach the subject from a more theoretical perspective and focus on the principles and frameworks of the standards rather than their applications.

**Table 14.** Difference Test According to Profession Variable (Kruskal-Wallis H)

	Profession	N	Mean Rank	sd	X <sup>2</sup>	p
Level of effectiveness of POA on standards	Academician	164	209,76	2	12,832	0,002
	Independent Auditor	208	175,66			
	Academician and I. Auditor	17	247,41			

\*p<0,05

The results indicated a statistically significant difference between the occupations of the participants and the scores they received from the scale of the level of effectiveness of POA on standards ( $\chi^2 (2) = 12,832; p=0.002 < 0.05$ ). Pairwise comparison tests were applied to determine whether there were any significant differences between the groups. It was determined that there was no significant difference between the participants of the academician, academician and independent auditors group and the independent auditors group. Similarly, there was no significant difference between the other groups. Therefore, H20 is accepted.

### 5. CONCLUSION

The establishment of international accounting standards has been undertaken with the objective of ensuring uniformity in financial reporting across the globe. In our country, studies have been conducted by various institutions with the aim of implementing international accounting standards in order to align with international developments. The establishment of POA has led to the adoption of a holistic approach, with the responsibility for establishing independent auditing and accounting standards being assigned to POA.

The objective of this study is to examine the views of academicians and independent auditors who provide accounting education at universities on the adaptation process of Financial Reporting Standards (TAS/IFRS, FRS for LMEs, FRS for SMEs, IFFAS). A questionnaire was developed to collect data on the demographic characteristics of respondents, their general views on standards, the services provided by relevant institutions about standards, general problems related to standards, and the level of effectiveness of POA on standards. The questionnaire was distributed online, and 389 respondents participated in the survey. A frequency analysis and difference tests were applied to analyse the data.

The study revealed that there is minimal differentiation in the general opinions and services provided by the institutions according to demographic characteristics. However, significant differences were observed in the general problems and the level of effectiveness of POA on standards scales according to demographic characteristics. Participants with doctoral degrees and independent auditors exhibited distinct differences from the other groups in the scales of general problems and the level of effectiveness of POA on standards. In this context, it can be posited that there is a divergence of opinion between academics who utilise the



standards in a theoretical capacity and independent auditors who apply them in a practical manner. Independent auditors focus on the practical implications and subjective interpretations of accounting standards, while academics emphasise the need for a strong theoretical foundation and relevant curricula. This contrast underlines the need for improved communication and co-operation between the two groups to bridge the gap in expectations and practices.

This study evaluates the adoption process of Financial Reporting Standards in Turkey by focusing on the perspectives of academics and independent auditors. The implications of the study are as follows:

➤ The study reveals that there is no significant difference between independent auditors and academics in their overall views on the standards. This indicates a consensus on the importance and appropriateness of these standards in the current financial environment and points to a common understanding of co-operation between these two groups in improving financial reporting practices.

➤ Despite the general consensus, there were differences in views on the effectiveness of the POA and general issues related to standards. This suggests that while there is a common understanding of the importance of standards, there is a divergence of views on their implementation and oversight. Recognising this difference of opinion can help policymakers and regulators address specific concerns and lead to better implementation of financial reporting standards.

➤ The findings emphasise the need for both external auditors and academics to have the necessary skills and training to effectively apply the standards. This need arises from the evolving nature of financial reporting and the increasing complexity of standards. To ensure the necessary competence in applying the standards, educational institutions may need to review their curricula to adapt to the evolving financial reporting environment.

➤ It is important for the POA and other regulatory bodies to improve their support mechanisms for the effectiveness of the services provided by the relevant institutions in relation to financial reporting standards and to ensure that they meet the needs of practitioners in this area.

➤ The divergent views among auditors and academicians reveal the necessity of joint studies in this field. In this context, it is very important to develop strategies to fill the gap between theory and practice and ultimately to improve the adaptation process of financial reporting standards

In summary, this study highlights the importance of IFRS adoption in Turkey, reveals both consensus and disagreement among professionals, and also emphasises the need for further training and oversight in this area. Based on the findings and discussions presented in this context, some suggested future studies are as follows:

➤ Future research could focus on the adoption processes of specific financial reporting standards such as TAS/TFRS or BOBI FRS. This would identify in more detail the challenges and successes associated with the implementation of each standard.

➤ Comparative studies can be conducted between Turkey and other countries that have undergone similar practices. Such studies could identify best practices and lessons learnt that could be applied to improve the harmonisation process in Turkey.

➤ It may be useful to investigate the effectiveness of educational programmes for accounting professionals and academics on the adoption of financial reporting standards. Understanding how education affects the implementation of these standards may help design better education initiatives.

➤ Analyse the impact of technologies such as accounting software and digital reporting tools on the adoption process of financial reporting standards.

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