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Culture, Economics and Disclosure of (IAS/IFRS) Information: Empirical Evidence in the Tunisian, French and Canadian Contexts

Hedi BAAZAOUI[1*] Manel Hadriche SAHNOUN[2] Mohamed Ali ZARAI[3]
1.Higher Institute of Computer Sciences and Management of Kairouan, Kairouan University, Tunisia
2.Faculty of Economic Sciences and Management of Nabeul, Carthage University, Tunisia
3.Faculty of Administrative and Financial Sciences, Al- Baha University, Kingdom of Saudi Arabia
* E-mail of the corresponding author: hedi_baazaoui@yahoo.com

Abstract
According to the theory of environmental determinism, the accounting system of a country is made by the environment. From our study on three samples of the three countries in different cultural and economic environments (50 Tunisian firms listed on Tunindex, 35 French companies listed on the CAC40 and 36 Canadian companies listed on TSE60), we have demonstrated that despite the adoption by these three countries in a single repository (IAS / IFRS), the degree of implementation of these standards (for each standard) differs from one country to another. We have also found that the level of IAS/IFRS disclosure in Canada is higher than in France which is in far higher than in Tunisia turn. The high level of disclosure of TSE60 companies of Canada compared to the CAC 40 companies of France is explained by existing differences between the cultural dimensions of the two countries. Indeed, Canada is characterized by professionalism and transparency in contrast to France which is characterized by the statutory control and discretion. In addition, for Tunisia, extensive reading annual reports showed a low level of disclosure and demonstrated the presence of a large number of items unenforceable. Inapplicable items reflect the absence of the scope of the standards adopted by Tunisia. Thus, standards adopted and those not yet adopted by Tunisia face rather the level of economic development as the national culture. The results of this study demonstrate the validity of the theory of environmental determinism.
Keywords: Theory of environmental determinism, Disclosure, IAS/IFRS.

1. Introduction

Disclosure of information has been the subject of much research in finding primary determinants of this disclosure. In developed countries, research studies have attempted to identify explanatory variables of voluntary disclosure and in developing countries, they have attempted to identify explanatory variables of mandatory disclosure since in the latter type of countries, companies adopt a policy of withholding information and tend not to comply with regulations governing the disclosure of information. However, next to the retention policy, the application of certain standards depends primarily on the level of development and the size of the capital market. Non-adoption of certain national standards is reflected, according to Ding *et al.*(2005), the state of the economy rather than national culture (segmented information (IAS14), employee benefits (IAS19), business combinations (IAS22), earnings per share (IAS33), discontinued operations (IAS35), financial instruments (IAS32 and IAS39) and the fair value of assets). In fact, the adoption of international standards is enacted by international institutions (the World Bank, the International Monetary Fund, the International Organisation of Securities Commissions, the IFAC, the capital markets, the international Big4 audit firms and the IASB (Uyar & Güngörmüs 2013)) rather than by national economic needs.

The adoption of international standards has beneficial effects when there is a real commitment to transparency and strict application of these standards, even if the application of these standards is partial, the effect of the application is beneficial (Ahmed *et al.* 2013; Baboukardos & Rimmel 2014). However, Yeoh (2005) showed that the political costs, the production cost and complexity of IFRS are behind the non- compliance with these standards and Güngörmüs & Uyar (2013) estimated that the lack of training of accountants and the lack of training programs planned by professional organizations are serious obstacles to the implementation of IFRS.

The adoption of international standards should be a profound change, not just a label change if companies of adopting countries want to reduce information costs, and improve the quality of information published to meet the needs of foreign investors (Chen *et al.* 2014). However, next to the nature of the accounting policy followed by the companies, culture and requirements of capital markets are major factors that discriminate between developing countries and developed countries (Perera 1989).

A literature review shows a lack of academic studies exploring compliance with mandatory disclosures of IAS/IFRS adopted after 2005 or mandatory disclosures of national standards (Tsalavoutas 2011).

Based on this observation, we felt it necessary to study compliance with the IAS/IFRS by countries that have expressly declared the adoption of the international standards despite the general trend of the research to the study of voluntary disclosure in developed countries and mandatory disclosure in developing countries.

The objective of this work is to study the degree of application of IAS/IFRS adopted by developed, emerging and developing countries in terms of disclosure, since in the light of reading annual reports, for a transaction or event that companies of IAS/IFRS adopting countries mention a statement of compliance with IFRS and the full recognition and measurement criteria are detailed and respected.

In what follows, we present the problematic, and the research interest (Section 2), the literature review and hypotheses on disclosure of IAS/IFRS information (Section 3), research methodology (Section 4), the results (section 5) and finally the conclusion (section 6).

2. Problematic and research interest

The research focused on voluntary disclosure in developed countries and mandatory disclosure in developing countries as they considered that firms in developed countries comply with the content of adopted accounting standards. Under this point of view, it is unnecessary, according to this approach to study the mandatory disclosure in developed countries. In addition, it is also unnecessary to consider voluntary disclosure in developing countries as companies of such countries do not apply remarkably even adopted standards. After 2005, following the widespread adoption of international standards and especially the European Economic Area, it turned out that the adoption of these standards is not necessarily their full application (Tsalavoutas 2011; Baboukardos & Rimmel 2014; Chen *et al.* 2014).

Our problematic is how to assess the degree of implementation of IAS/IFRS by countries that have explicitly declared their adoption of international standards or close to one repository.

According to this logic, we chose to study the disclosure of the IAS/IFRS information in three countries Canada (common law country), France (written law country) and Tunisia (emerging country and adopting a repository close to international standards).

The interest of this research is threefold. First, consider the disclosure without distinguishing between voluntary and mandatory since the adoption does not necessarily reflect the application of the standards. Next, consider the level of implementation by country category saw the variability of application of international standards. Finally, consider the determinants of the variability of the degree of application of IAS/IFRS.

3. Literature review and hypotheses

The culture which belongs significantly influences accounting ethics rules and judgments in recognition, measurement, and disclosure and has implications for the application of IAS/IFRS (Perera *et al.* 2012). For their part, Abdolmohammadi & Sarens (2011) suggest that cultural differences have a significant effect on the development of professional practices in auditing and accounting and therefore the application of IAS/IFRS. In addition, cultural differences may be responsible for the existence of accounting in different countries that use common standards differently, and thus affect the cross- national comparability of financial statements (Doupnik & Riccio 2006).

Perera (1989) believes his side the unprofessional attitude of the managers influences disclosure policy of impertinent information in annual reports and culture in most developing countries promotes uniformity.

The importance of culture is also demonstrated in the developing countries (Jaggi & Low 2000) and in selective implementation of IAS/IFRS (Dahawy *et al.* 2002) and choice of auditor. When the level of discretion is low in a country, companies rely more on Big4 (Hope *et al.* 2008). This finding is reinforced by the existence in that country of the internationalization strategy adopted by companies, and an environment characterized mainly by mechanisms of investor protection, and a developed capital market.

A culture is added to the state of the economy to study the development of auditing and accounting in several countries. Indeed, Abdolmohammadi & Tucker (2002) used data from the United Nations (number of accountants per capita, number of auditors per capita, number of tax advisors per capita, normalization body for accounting and auditing and gross national product per capita (dependent variable)) to show that the development of internal audit, external audit and accounting in many countries is associated with the state of the economy and culture. Countries with high number of accountants and auditors per capita have a national product exceeding that of other countries per capita.

Besides the culture of secrecy, is also added the role of the capital market. Indeed, Abdelsalem & Weetman (2007) show that the presence of two favorable factors for disclosure (privatization and stock market), disclosure is low due to inactive markets and discretion.

The preponderance of the role of level of economic development from the cultural dimensions is demonstrated by Ding *et al.* (2005). These authors confirmed, from the absence of national standards dealing with existing items in international standards, that the accounting system of the country depends more on the level of economic development and the size of the capital market as the national culture.

The level of economic development is an important determinant of the level of environmental and social disclosure. Xiao *et al.* (2005) found that British firms have high levels of disclosure as they are likely to incur political costs and are facing threats originating from legitimate public awareness and regulation.

The degree of economic development, the type of economy, the size of the capital market, the nature of the activity and the dispersion of the shares are the determinants of disclosure and the regulation of information is determined more by internal factors in developed countries and by external factors in developing countries (culture, settlement, language, economic spheres of influence, etc. (Tondkar & Adhikari 1992)). In the same vein, Aljifri (2008) showed that the disclosure is determined by regulation, not by the market. In this sense, Elfouzi & Zaraï (2009) see regulations guaranteeing the independence of the auditor, investor protection, and restoration of investor confidence a necessary condition for improving the quality information contained in financial reporting.

However, the influence of the index of economic development has not been demonstrated in explaining disclosure contrary to the environmental index developed by Cooke & Wallace (1990). Thus, countries with favorable environment are characterized by more disclosure to meet the demands of foreign companies and benefit from external funding sources. In this case, the theory of environmental determinism is rejected for such countries because domestic factors are not the only ones that influence disclosure. In addition, Webb *et al.* (2008) found that the interaction between globalization and legal environment (unfavorable environment for disclosure) affects voluntary disclosure in written law countries. In addition, firms often experienced the pressures of high level of disclosure in common law countries and therefore the influence of this interaction has not been demonstrated since these countries are characterized by a favorable environment for disclosure.

The privileged user of the information published is another determinant of disclosure that was introduced by Beattie & Jones (2011) which showed that the disclosure is directed to investors in the micro-based country and is not limited to data financial in macro-based countries: social, human resources, and environment.

The role of international organizations has been taken into account by Elsayed & Hoque (2010) who found a high level of disclosure associated with international bodies: the World Bank, the International Monetary Fund, IASB, IFAC, and OECD.

In this sense, the hypotheses to be tested are:

H1: the application of IAS/IFRS by the disclosure of information is higher in common law countries than in written law countries.

H2: developed countries disclose more IAS/IFRS information compared to developing countries.

4. Research methodology

To validate our hypotheses, we followed the following steps:

- Identify the items contained in international standards;
- Choose the country and study samples;
- Assess the level of disclosure by companies in their annual reports;
- Explain and interpret the disclosure of information by countries;
- Test the significance of the difference in mean score disclosure countries; and
- Explain and interpret differences in average score disclosure.

We thoroughly analyzed the annual reports to identify the applicable items whose disclosure is mandatory and the inapplicable items.

To assess the extent of disclosure index, we chose to follow the following steps:

1. Read in depth the Tunisian accounting standards and international standards;
2. Highlight the items whose disclosure is mandatory. The list of these items is largely under the title “Disclosures” at each standard;
3. Read the annual report and try to identify both the applicable and inapplicable items;
4. Count the number of applicable items and inapplicable items for each category of financial statements; and
5. Calculate the extent of disclosure index using the following formula: Total disclosed items/Total applicable items.

We were able to identify and present the items whose disclosure is mandatory or voluntary for all companies, after reading the texts governing the Tunisian accounting system (Table 1).

Table 1: Number of items of mandatory and voluntary disclosure by Tunisian accounting standards and number of consolidation items

Standards	Number	Number of items		
		Mandatory disclosure	Voluntary disclosure	Consolid-ation
General Accounting Standard (Notes to Financial Statements)	NC : 01	11	1	
Equity	NC : 02	11		
Revenues	NC : 03	3		
Inventories	NC : 04	4		
Tangible assets	NC : 05	14		
Intangible assets	NC : 06	5		
Financial instruments	NC : 07	4		
State income and extraordinary items (extraordinary items)	NC : 08	2		
Construction Contracts	NC : 09	3		
Deferred charges	NC : 10	8		
Changes in accounting policies	NC : 11	11		
Government Grants	NC : 12	4		
Borrowing costs	NC : 13	2		
Events after the balance sheet date	NC : 14	10	1	
Transactions in foreign currencies	NC : 15	4		
Expenditure on research and development	NC : 20	5	3	
Consolidated Financial Statements	NC : 35			6
Investments in associates	NC : 36			9
Interests in joint ventures	NC : 37			18
Business Combinations	NC : 38		1	33
Related party transactions	NC : 39	3		
Leases	NC : 41	10		
Decree No. 96-2459 §83			4	
Total items		114	10	66

For French and Canadian companies, we referred to the international standards that have been adopted by most countries of the world. The calculation of the index of disclosure is a difficult task that requires a lot of time and accuracy in the presence of more than 40 international accounting standards.

To identify and list the items under study, we relied on the texts of standards adopted by the regulations of the European Communities Commission, and lists of disclosure IFRS as issued by the two international firms *KPMG and PriceWaterhouseCoopers.*

Table 2 summarizes the number of items whose disclosure is mandatory or voluntary for each international accounting standard.

Table 2: Number of items of voluntary and mandatory disclosure by IAS/IFRS

Standards	Number	Number of items	
		Mandatory disclosure	Voluntary disclosure
Presentation of Financial Statements	IAS1	79	3
Inventories	IAS2	8	
Statement of Cash Flows	IAS7	5	4
Accounting Policies, Changes in Accounting Estimates and Errors	IAS8	26	
Events after the Reporting Period	IAS10	5	
Construction Contracts	IAS11	9	
Income Taxes	IAS12	22	1
Property, Plant and Equipment	IAS16	22	4
Leases	IAS17	18	
Revenue	IAS18	4	
Employee Benefits	IAS19	47	
Accounting for Government Grants and Disclosure of Government Assistance	IAS20	3	
The Effects of Changes in Foreign Exchange Rates	IAS21	9	
Borrowing Costs	IAS23	2	
Related Party Disclosures	IAS24	21	
Accounting and Reporting by Retirement Benefit Plans	IAS26	30	
Separate Financial Statements	IAS27	7	
Financial Reporting in Hyperinflationary Economies	IAS29	3	
Earnings per Share	IAS33	10	
Interim Financial Reporting	IAS34	2	
Impairment of Assets	IAS36	29	1
Provisions, Contingent Liabilities and Contingent Assets	IAS37	18	
Intangible Assets	IAS38	13	2
Investment Property	IAS40	26	2
Agriculture	IAS41	35	
Share-based Payment	IFRS2	11	
Business Combinations	IFRS3	22	
Non-current Assets Held for Sale and Discontinued Operations	IFRS5	11	
Exploration for and Evaluation of Mineral Resources	IFRS6	2	
Financial Instruments: Disclosures	IFRS7	115	
Operating Segments	IFRS8	37	
Disclosure of Interests in Other Entities	IFRS12	73	
Fair Value Measurement	IFRS13	13	
Evaluating the Substance of Transactions Involving the Legal Form of a Lease	SIC-27	2	
Total items		750	13

We have chosen to study the disclosure of information as laid down by international standards, whether mandatory or voluntary disclosure in three countries, France (written law countries), Canada (common law country) and Tunisia, in 1997 adopted an accounting system largely based on the international standards since there are no significant differences between the Tunisian and international repositories.

Our study focused on 50 Tunisian companies, 31 of them listed on the main market and 19 listed on the alternative market, 35 French companies listed on the CAC40 after excluding financial institutions and a subsidiary a non- French parent company and 36 Canadian companies listed on TSE60 after excluding 10 financial institutions, 13 having their financial statements in accordance with US GAAP and a subsidiary of a not Canadian parent company.

5. Results

We shall present the results of disclosure scores by country, beginning with the Tunisian sample, the French sample and the Canadian sample and ended by comparing the average scores of disclosure of the three countries studied.

5.1. Tunisian sample

Table 3 presents the statistical characteristics of disclosure scores of Tunisian firms.

Table 3: Disclosure items contained in the Tunisian standards by Tunisian companies

Standards	Number of observations	Mean	Maximum	Minimum	Standard deviation	Jarque-Bera	Proba-bility
NC01	50	0.85	1	0	0.26	24.13	0.00
NC02	46	0.78	1	0.20	0.20	19.54	0.00
NC03	50	0.60	1	0	0.19	6.29	0.04
NC04	50	0.56	1	0	0.23	10	0.00
NC05	50	0.39	1	0.07	0.15	218.27	0.00
NC06	50	0.86	1	0	0.26	30.13	0.00
NC07	50	0.43	1	0	0.29	2.68	0.26
NC08	50	0.04	1	0	0.20	1020.49	0.00
NC09	0	-	-	-	-	-	-
NC10	50	0.40	1	0	0.41	5.86	0.05
NC11	50	0.07	1	0	0.24	364.86	0.00
NC12	50	0.15	1	0	0.29	62.36	0.00
NC13	50	0.02	1	0	0.10	1020.49	0.00
NC14	50	0.52	1	0	0.30	0.55	0.28
NC15	50	0.27	1	0	0.26	41.93	0.00
NC38	44	0.54	1	0	0.50	7.24	0.03
NC39	50	0.66	1	0	0.48	8.77	0.01
NC41	50	0.04	0.50	0	0.10	162.71	0.00
Mandatory disclosure	50	0.56	0.83	0.23	0.12	1.03	0.60

Most Tunisian companies disclose the items in the NC01 since the disclosure index is high (85%) and the dispersion to this disclosure index is not extended (standard deviation of 26%). In addition, there are no items unenforceable.

Firms in the sample did not disclose in the notes to equity (NC: 02), the effect of shares repurchased or resold on the share price or the share of shares relative to total outstanding shares when such items is applied.

Items relating to income (NC: 03) are applicable. Firms studied did not disclose, in some cases, the recognition and measurement rules of income, the methods adopted to determine the stage of completion of transactions involving services and the methods used to break the nominal amount selling price and financial products, and in all cases, gains and losses from any such items as warranty costs, claims, penalties or possible losses in accordance with accounting Standard IAS10 " Events after the Reporting Period ".

Inventories (NC: 04) have two difficult to disclose items. The first (the cost of inventories expensed in the year) is applicable but disclosure requires the implementation by the Company of a costing system in order to determine the cost of inventory to be recorded charges in sub-activity situations and the second (changes in treatment methods stocks that have a significant effect on the results of the current year, or the results of the following periods shall be specified) is inapplicable because of the rarity of the occurrence of the transaction. For applicable items, the disclosure index is about 56 %, reflecting primarily the non-disclosure of the methods used in the treatment of stocks, including an evaluation of the cost components, valuation and accounting for inventories.

For tangible assets (NC: 05), the disclosure index is 39 % because of items such as the accounting method used for the costs of remediation costs of other property, the amount of expenses incurred for assets in the course of production, the amount of commitments for the acquisition of property, the nature and effects of changes in accounting estimates that have a significant impact on the current year or are expected to have a material effect in subsequent periods, the value of temporarily idle property, plant and equipment, gross carrying amount of any fully depreciated tangible asset that is still in use, and the book value of tangible assets and unused ready to be sold are rarely disclosed by Tunisian companies.

For intangible assets (NC: 06), the disclosure index averaged 86 % due to a large number of items inapplicable (almost 7 items inapplicable/10 items under the NC 06). These items relate to intangible assets under development, enhancement or improvement, as well as spending on research and development. This type of operation is virtually absent in the sample firms.

The index of disclosure items relating to securities (NC: 07) is low (43%). In annual reports, there are basically two types of securities which attract the attention of companies in the sample but the items disclosed to them lack much precision. Indeed, most companies in the sample did not disclose the rules classification and evaluation methods of assets and the percentage of ownership of shares in the capital of the Issuer.

Deferred charges (NC: 10) have accured over several years (emission and redemption premiums on bonds costs), preliminary expenses, start-up costs, etc. the firms in the sample disclose timidly such charges (40%) if we consider inapplicable items relating to pre-operating expenses recorded during a year, or activities in which the company is engaged.

Items of extraordinary losses (NC: 08), construction contracts (NC: 09), accounting changes (NC: 11), government Grants (NC: 12), borrowing costs (NC: 13) and leases (NC: 41) are largely unenforceable.

For exchange differences (NC: 15), the majority of firms studied conducts currency transactions but only disclose the amount of the gain or loss from changes in income. However, the amount of exchange differences arising during the year and included in the carrying amount of an asset, the amortization of gains and losses method listed in currency translation, and the movements of gains and losses recorded in foreign currency translation are applicable in some cases but not disclosed and are not applicable in other cases.

The items of notes to financial statements relating to the table of intermediate balances, the statement of changes in equity, earnings per share , the transition table of expenses by nature to expenses by destination, transactions between related parties, off-balance sheet contingencies and commitments provided by events after the reporting period (NC: 14) are disclosed up to 52 %. Inapplicable items are identified when the company expressly states that it has no contingencies and events occurring after the reporting period that requires to be disclosed.

The list of voluntary information was determined from the conceptual framework (information on provisional accounts, human resources, environmental protection, and technology), the general standard (distribution of expenses by destination), NC: 14 (positive impact contingencies), NC: 20 (research and development) and NC: 38 (positive effect of the business combination on the assumption of continuity of operations). Items as listed are not disclosed by the firms studied. Therefore, the disclosure index is zero.

The index of overall mandatory disclosure is 56 % which shows that almost half of the applicable items disclosed by the companies studied.

24 companies publishing consolidated financial statements disclose most items under the standards for consolidation (NC: 35, NC 36, NC 37 and NC 38). All companies surveyed publish the consolidation perimeter, consolidation methods adopted (full consolidation, proportionate consolidation or the equity method), and the approach taken in the preparation and presentation of consolidated financial statements.

The existence of a large inapplicable items and the relatively low level of disclosure applicable number of items show the partial application of the standards adopted and the potential difficulties in applying the standards to be adopted in the future which reflects the impertinence on accounting systems adopted by developing countries such as Tunisia (Beydoun & Willett 1995).

Privatization, accounting reform, and the role of the stock exchange are all favorable factors for disclosure (Al- Akra *et al.* 2009; Abdelsalem & Weetman 2007). However, disclosure is low due to inactive markets and discretion (Abdelsalem & Weetman 2007).

The importance of culture in developing countries, resistance evidenced by the selective implementation of IFRS and the importance of ethics of managers and shareholders are factors constraining the transparency of information (Haniffa & Cooke 2005; Dahawy *et al.* 2002; Jaggi & Low 2000).

Jeanjean *et al.* 2010 found that the publication of annual reports in English is associated with the process of internationalization, language barriers, the need for funding, and growth opportunities debt. There are no Tunisian companies presenting their financial statements in English in a voluntary way except to foreign ownership.

5.2. French sample

Table 4 shows the characteristics of the disclosure made by French companies.

Table 4: Disclosure items contained in the IAS / IFRS by French firms

Standards	Number of observations	Mean	Maximum	Minimum	Standard deviation	Jarque-Bera	Proba-bility
IAS1	35	0.87	0.95	0.76	0.04	0.84	0.66
IAS2	35	0.56	0.75	0.25	0.10	4.87	0.09
IAS7	35	0.37	0.60	0	0.13	2.49	0.29
IAS8	34	0.47	0.80	0	0.29	4.96	0.08
IAS10	34	0.37	0.60	0	0.17	0.97	0.62
IAS11	17	0.61	0.89	0	0.22	5.89	0.05
IAS12	35	0.80	0.95	0.55	0.12	2.34	0.31
IAS16	35	0.63	0.82	0.40	0.09	0.98	0.61
IAS17	35	0.37	0.78	0	0.18	0.30	0.86
IAS18	35	0.71	1	0.25	0.13	34.83	0.00
IAS19	35	0.71	0.92	0	0.15	263.89	0.00

Table 4 (Following): Disclosure items contained in the IAS / IFRS by French firms

Standards	Number of observations	Mean	Maximum	Minimum	Standard deviation	Jarque-Bera	Proba-bility
IAS20	35	0.30	0.74	0	0.27	2.86	0.24
IAS21	35	0.99	1	0.50	0.08	1501.91	0.00
IAS23	35	0.33	1	0	0.30	0.99	0.61
IAS24	35	0.74	0.89	0	0.17	143.50	0.00
IAS26	0	-	-	-	-	-	-
IAS27	35	1	1	-	00.00	-	-
IAS29	0	-	-	-	-	-	-
IAS33	35	0.67	1	0.33	0.13	0.57	0.75
IAS34	0	-	-	-	-	-	-
IAS36	35	0.66	0.84	0.40	0.12	0.81	0.67
IAS37	35	0.60	0.83	0.33	0.12	0.55	0.76
IAS38	35	0.75	0.91	0.64	0.07	0.75	0.69
IAS40	4	0.68	0.73	0.58	-	-	-
IAS41	1	0.22	-	-	-	-	-
IFRS2	35	0.60	0.82	0.27	0.14	0.81	0.67
IFRS3	35	0.69	0.86	0	0.16	138.62	0.00
IFRS5	32	0.50	0.82	0.27	0.12	2	0.37
IFRS6	3	0.50	-	-	-	-	-
IFRS7	35	0.75	0.86	0.59	0.08	1.49	0.47
IFRS8	35	0.73	0.84	0.24	0.11	140.75	0.00
IFRS12	35	0.72	0.85	0.60	0.06	0.23	0.89
IFRS13	35	0.57	0.77	0.31	0.09	3.19	0.20
Mandatory disclosure	35	0.63	0.75	0.54	0.05	0.45	0.8
Voluntary disclosure	35	0.37	0.65	0.11	0.17	1.88	0.39
Total disclosure	35	0.59	0.73	0.48	0.06	0.81	0.67

The average levels of disclosure exceed 80 % for IAS1, IAS12 and IAS21 standards. It exceeds 50 % except IAS17, IAS20 and IAS23, the level of disclosure is around 30%.

The level of the standard deviation (measure of the quality of the dispersion around the mean) is small except IAS8, IAS11, and IAS23. To these standards, there is great variability in the treatment of changes in accounting methods (retrospective application of new standards), construction contracts and borrowing costs.

Scores disclosure items of IAS11, IAS18, IAS19, IAS21, IAS23, IAS24 and IFRS 8 does not follow the normal distribution as the Jarque -Bera test is significant.

The mandatory disclosure score is 63%. The dispersion of scores around the mean is restricted (low standard deviation), which reflects the concentration of the majority of businesses around the mean. Especially as the minimum score is 54% and the maximum score is 75%.

The voluntary disclosure score is 37%. The majority of French companies disclose the key factors determining financial performance, including changes in the environment in which the entity operates, the entity's response to these changes and the investment policy of the entity to maintain and improve its financial performance, including its dividend policy. However, they do not publish the total amount of cash flows that represent increases in production capacity separately from cash flows that are required to maintain production capacity.

The carrying amount of temporarily idle property, plant and equipment, gross carrying amount of any fully depreciated tangible asset that is still in use, and the book value of fixed assets taken out of service and not classified as held for sale under IFRS5 are items not disclosed. On the contrary, they publish the fair value of tangible assets when it differs significantly from the carrying value when the cost model is used.

5.3. Canadian sample

Table 5 presents the characteristics of the disclosure by Canadian companies.

Table 5: Disclosure items contained in the IAS / IFRS by Canadian companies

Standards	Number of observations	Mean	Maximum	Minimum	Standard deviation	Jarque-Bera	Proba-bility
IAS1	36	0.92	0.96	0.86	0.02	1.57	0.46
IAS2	36	0.72	0.88	0.38	0.10	5.75	0.06
IAS7	36	0.48	0.80	0.00	0.16	15.60	0.00
IAS8	31	0.58	1	0.00	0.26	10.23	0.01
IAS10	35	0.50	0.80	0.40	0.14	5.80	0.05
IAS11	05	0.85	1	0.68	0.12	0.28	0.89
IAS12	36	0.93	1	0.7	0.06	205.87	0.00
IAS16	36	0.69	1	0.6	0.11	7.09	0.03
IAS17	33	0.35	0.78	0.00	0.23	1.71	0.43
IAS18	36	0.92	1	0.75	0.12	6.76	0.03
IAS19	32	0.88	0.95	0.74	0.05	2.35	0.31
IAS20	34	0.20	1	0.00	0.32	15.48	0.00
IAS21	35	1	1	-	00.00	-	-
IAS23	35	0.73	1	0.00	0.31	2.67	0.26
IAS24	36	0.78	0.94	0.50	0.10	13.82	0.00
IAS26	0	-	-	-	-	-	-

Table 5 (Following): Disclosure items contained in the IAS / IFRS by Canadian companies

Standards	Number of observations	Mean	Maximum	Minimum	Standard deviation	Jarque-Bera	Proba-bility
IAS27	0	-	-	-	-	-	-
IAS29	0	-	-	-	-	-	-
IAS33	36	0.71	1	0.50	0.10	2.42	0.30
IAS34	0	-	-	-	-	-	-
IAS36	36	0.82	0.92	0.68	0.06	0.61	0.74
IAS37	36	0.71	0.89	0.50	0.09	0.02	0.99
IAS38	36	0.76	0.91	0.55	0.07	2.94	0.23
IAS40	5	0.74	0.81	0.65	-	-	-
IAS41	0	-	-	-	-	-	-
IFRS2	36	0.63	0.91	0.45	0.13	1.18	0.55
IFRS3	35	0.89	0.95	0.77	0.04	2.48	0.29
IFRS5	35	0.58	0.82	0.45	0.12	2.08	0.35
IFRS6	36	0.80	0.92	0.00	0.20	254.27	0.00
IFRS7	36	0.93	0.97	0.88	0.03	2.7	0.26
IFRS8	36	0.80	0.92	0	0.20	254.27	0.00
IFRS12	36	0.83	0.92	0.00	0.15	1369.77	0.00
IFRS13	36	0.76	0.92	0.00	0.15	413.03	0.00
Mandatory disclosure	36	0.73	0 .85	0.49	0.07	14.59	0.00
Voluntary disclosure	36	0.58	0.79	0.00	0.14	94.46	0.00
Total disclosure	36	0.70	0.84	0 .36	0.08	75.89	0.00

The highest (over 90%) score disclosure regarding the presentation of financial statements (IAS1), the income tax (IAS12) and revenue (IAS18). Scores exceeding 80% relate to IAS11, IAS19, IAS36, IFRS3 and IFRS12. For other standards, the disclosure score is between 50 % and 80 %.

The quality of the dispersion around the mean is good, in most cases, since the standard deviation is low except IAS8, IAS17, IAS20, IAS23, IFRS6 and IFRS8. For such standards, the two extreme cases of disclosure exist or the company discloses the maximum of items or it discloses the minimum.

Scores disclosure items contained in the IAS1, IAS11, IAS17, IAS19, IAS23, IAS33, IAS36, IAS37, IAS38, IFRS2, IFRS3, IFRS5, and IFRS 7 are normally distributed (the Jarque -Bera test is not significant).

Canadian companies do not disclose enough information about leases (35 %) and government grants (20 %). Contingent rents recognized as an expense in the period; the total, to date, future minimum payments sublease contracts that are expected to be received under contracts under non-cancellable subleases; general description of the significant provisions of the lease including an indicative basis for determining payments contingent rents, the existence and terms of renewal options or purchase and clauses indexing, and their terms; and restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing are examples of items not disclosed by the majority of Canadian companies.

Canadian companies are limited subsidy to disclose the accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements and do not give much importance to items relating to the nature and extent of government grants recognized in the financial statements and other forms of government assistance from which the entity has directly benefited and unfulfilled conditions and other contingencies attaching to government assistance that has been recognized.

Canadian companies have a voluntary disclosure level of around 58% largely explained by the disclosure of the main factors and influences determining financial performance, including changes in the environment in which the entity operates, and reacts to these changes and their effects as well as the investment policy of entity to maintain and improve its financial performance, including its dividend policy ; sources of funding of the entity and its targeted ratio of liabilities to equity; and resources of the entity that are not recognized in the statement of financial position according to IAS/IFRS as mineral reserves controlled by the oil companies and natural resource extraction .

They also publish the amount of undrawn borrowing facilities that may be available for future operating activities and for the settlement of commitments for capital expenditures, indicating any restrictions on the use of these facilities; The aggregate amounts of the cash flows from each of operating, investing and financing activities related to interests in joint ventures reported using proportionate consolidation; and the amount of cash flows from operating, investing and financing activities for each reportable segment (IFRS8) . However, they do not publish the total amount of cash flows that represent increases in production capacity separately from cash flows that are required to maintain production capacity.

The carrying amount of temporarily idle property, plant and equipment, gross carrying amount of any fully depreciated tangible asset that is still in use, and the book value of fixed assets taken out of service and not classified as held for sale under IFRS5 are items not disclosed. On the contrary, they publish the fair value of tangible assets when it differs significantly from the carrying value when the cost model is used.

5.4. Comparison of scores of disclosure

Table 6 shows the parametric and non -parametric tests of average disclosure scores.

For Tunisian companies and French companies, except the standard for business combinations (IFRS3 and NC38), differences in average disclosure scores are statistically significant. In addition, the mandatory disclosure score of French companies is far superior to that of Tunisian companies.

Regarding the standards for events after the reporting period (IAS10/NC14) and intangible assets (IAS38/ NC06), the disclosure score of Tunisian firms is higher than that of French companies (negative signs of differences) because of the inapplicability of the majority of items for disclosure of Tunisian companies.

The comparison between the levels of disclosure of items of Canadian companies and Tunisian companies shows that the differences are significant except for the case of three accounting standards for business combinations, events after the reporting period and government grants (IFRS3/NC38, IAS10/IAS20 and NC14/NC12). Companies of the two countries disclose more information regarding the treatment of goodwill, assumptions impairment of goodwill, the occurrence of post balance sheet events and the conditions for granting and consideration of government grants.

The comparison between the levels of disclosure items of Canadian and French companies shows that the differences between the average scores of disclosure are significant except for the standards tables of cash flows (IAS8), tangible assets (IAS16), leases (IAS17), government grants (IAS20), the treatment of foreign currency transactions (IAS21), the related party transactions (IAS24), earnings per share (IAS33), the business combination (IAS38), and the share-based payment (IFRS 2).

France and Canada are both developed countries. Significant differences between the scores of disclosure items required by standards for inventories, table of cash flow, revenue, asset impairments, provisions, contingent assets and liabilities, non- current assets held for sale, financial instruments, operating segments, information about entities in the company has interests, and the fair value show that Canadian companies are more transparent than French companies. The Anglo-Saxon culture promotes transparency and Francophone culture promotes discretion.

Table 6: Parametric and non-parametric tests for comparison of mean scores of disclosure

Standards	France/Tunisia		Canada/Tunisia		Canada/France	
	T (Prob)	Mann-Witney (Prob)	T (Prob)	Mann-Witney (Prob)	T (Prob)	Mann-Witney (Prob)
IAS1/NC01		459 (0.00)		511.5 (0.00)	6.44 (0.00)	190.5 (0.00)
IAS2/NC04		546.5 (0.00)		519.5 (0.00)		178.5 (0.00)
IAS7/NC08		292 (0.00)		213 (0.00)	0.37 (0.72)	407.5 (0.00)
IAS8/NC11		292 (0.00)		213 (0.00)		425.5 (0.12)
IAS10/NC14	2.57 (0.01)	521 (0.00)-	0.25 (0.81)-	727 (0.16) -	3.51 (0.00)	388.5 (0.00)
IAS11/NC09	19.52 (0.00)	24.5 (0.00)	53.97 (0.0)	24.5 (0.00)	2.26 (0.04)	27 (0.09)
IAS12						166 (0.00)
IAS16/NC05		97 (0.00)		99 (0.00)		510 (0.10)

Table 6 (Following): Parametric and non-parametric tests for comparison of mean scores of disclosure

Standards	France/Tunisia		Canada/Tunisia		Canada/France	
	T (Prob)	Mann-Witney (Prob)	T (Prob)	Mann-Witney (Prob)	T (Prob)	Mann-Witney (Prob)
IAS17/NC41		122 (0.00)		260 (0.00)	0.37 (0.72) -	577.5 (0.83) -
IAS18/NC03		318.5 (0.00)		90.5 (0.00)		206.5 (0.00)
IAS19						84 (0.00) -
IAS20/NC12		536.5 (0.01)		787.5 (0.44)		451 (0.04) -
IAS21/NC15		55.5 (0.00)		55.5 (0.00)		629 (0.30)
IAS23/NC13		376 (0.00)		71.5 (0.00)	5.57 (0.00)	274.5 (0.00)
IAS24/NC39		552 (0.00)		584 (0.00)		622 (0.77)
IAS33					1.58 (0.12)	499 (0.12)
IAS36					4.09 (0.00)	173 (0.00)
IAS37					6.83 (0.00)	323 (0.00)
IAS38/NC06		431 (0.00) -		469 (0.00) -	0.32 (0.75)	574 (0.37)
IFRS2					0.91 (0.36)	559.5 (0.41)
IFRS3/NC38		703 (0.61)		767 (0.94)	7.19 (0.00)	42.5 (0.00)
IFRS5					2.80 (0.01)	358.5 (0.01)
IFRS7/NC07	6.19 (0.00)	272.5 (0.00)	10.15 (0.00)	240 (0.00)	13.48 (0.00)	35 (0.00)
IFRS8					1.96 (0.05)	196.5 (0.00)
IFRS12						67.5 (0.00)
IFRS13						93 (0.00)
Mandatory disclosure	3.66 (0.00)	495.5 (0.00)		175 (0.00)	6.98 (0.00)	147.5 (0.00)
Voluntary disclosure						189 (0.00)
Total disclosure						104.5 (0.00)

In addition, Canada has adopted IFRS in 2011 against France has adopted in 2005 which reflects the experience of French companies in the application of IFRS was not a determinant of transparency. Before the year of adoption by Canada of the international standards, the companies in this country applied a close US GAAP repository (the USGAAP) considered more demanding and full IFRS. For example, Canadian companies have not encountered difficulties in understanding the philosophy of these standards because they are used for years to a solid repository such as the United States.

The superiority of scores of mandatory and voluntary disclosure of Canadian companies compared to French companies (73% against 63 % and 58% against 37%) reflects habits oriented disclosure to investors in the micro-based country (Canada) and limited to non-financial data in macro-based countries: social, human resources, environment (France) since the annual reports of French companies contain much information on social, corporate data, human resources and the protection of environmental (sustainability report (Beattie & Jones 2011)).

Tunisia encounters cultural and economic problems. Economically, many standards that have not been adopted do not actually find a field for their application. Many existing standards are not applied fully since many items are inapplicable. On the other side, the applicable items are not disclosed due mainly to discretion.

6. Conclusion

The study of disclosure of IAS/IFRS reporting by companies listed on the most important awards in France (CAC40) and Canada (TSE60), and the Tunis Securities Exchange showed, for both developed countries, not full implementation of content standards since the levels of disclosure have not even reached 80 %.

Examples reflecting a Canadian Anglo-Saxon culture oriented to investors disclosure are:

- the allocation of responsibilities for the preparation of financial statements;
- the declaration of the opinion of the auditor at the beginning of the annual report on the financial statements;
- signatures of responsible disclosure under each financial statement;
- the presentation of two items relating to guarantees (contingent liabilities and commitments) and subsequent to the balance sheet date in two separate below the statement of financial position lines;
- the publication of additional information on cash flow (non-cash acquisition).

For Tunisia, the resistance embodied by the selective implementation of IAS/IFRS and the importance of ethics of managers and shareholders are factors constraining the transparency of information (Haniffa &Cooke 2005; Dahawy *et al.* 2002; Jaggi & low 2000).

Our study contributes to the literature by taking into account the disclosure of information in dealing with IFRS disclosure and its environmental context.

This study confirmed the validity of the theory of environmental determinism. Canadian companies are more transparent than French companies. This result reflects the habits of transparency characterizing Canadian companies applying for years US GAAP considered stronger than the international standard. In addition, for Tunisia, many items are inapplicable, many standards are not an environment for their application and the companies do not disclose enough information even if the items are applicable.

The theory of environmental determinism governs the application of IFRS in the world and allows scholars to distinguish the mere adoption of IFRS for their effective implementation. Indeed, our results show that the adoption of international standards can be considered as a change of label, not a radical change to its application to the case of Tunisia, for example. Environmental factors are determinants of effective implementation of IFRS.

In addition, for the determination of the list of items under IAS/IFRS, unlike the study of Tsalavoutas (2011) that suffers from the lack of consensus among experts, this study has reference to the text of IAS/IFRS, and lists determined by both KPMG and PricewaterhouseCoopers firms. Tsalavoutas (2011) has retained its list of items on the grounds that it does not differ significantly from lists of items set by the experts.

It should also be noted that studies on disclosure suffer from a major limitation by adopting an overall score. They implicitly assume the superiority of certain standards with respect to other since the number of items contained in the standards vary considerably from one standard to another (for example, IAS23 contains two items and IFRS7 contains 115 items). In our study, we calculate the disclosure score for each standard with the implicit assumption that international standards are equally important and the overall score disclosure is none other than the simple arithmetic average of the scores of individual disclosure.

However, this study did not exceed certain limits. First, the disclosure scores were not counted by several experts. We believe it is too difficult to find experts willing to count the items disclosed by standard for many companies from several countries in the presence of 750 items contained in international standards. Then, the number of countries is very limited although three countries with different cultures are interesting field of investigation.

Pathways for future research is to investigate the effect of cultural dimensions and economic dimensions on IAS/IFRS disclosure and samples from national companies of several countries in the first place and to identify and explain the determinants of application of international standard across the company in second place.

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