



## Examination of the Managers' Attitudes towards the Quality of the Presented Financial Reports: A Case Study

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### ABSTRACT

**Introduction:** The main goal of accounting systems and financial reporting of public sector is to provide the qualified information that can assist managers in performing their responsibility effectively. It can also assist them in making appropriate political, economic, and social decisions.

**Method:** this study evaluated the managers' attitudes towards the quality of financial reports. Forty nine financial managers of some of Iranian medical universities took part in this study in 1391 (Iranian calendar). To gather the data, a 12-item questionnaire was used. The data obtained through the application of the questionnaire were subjected to descriptive and inferential statistics and the following analyses were run on the data: "t-test" and "QP (Middle)".

**Results:** The findings indicated that the presented information in financial reports should qualitatively be relevant, honest, understandable, timely, verifiable, and comparable.

**Conclusion:** The results of the study indicated that, from the perspectives of manager, the presented information in financial reports in Fars Province University of Medical Sciences has qualitative characteristics.

**Keywords:** Managers' attitudes, Qualitative characteristics of information, Iranian universities of medical sciences, Health and treatment Services

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### Introduction

In today's turbulent world, the development and promotion have been built based on the increasing access to information and technology. In order to achieve the main goals of institutions and make changes and developments, managers are required to get an appropriate knowledge of the existing situation. In each institution or organization, the main task of management is to make right decisions in the way that it is impossible to make rational decisions without having appropriate information. Thus, information is something that reduces ambiguity and directs an individual to the right and correct decision-making. In democratic nations where the governments are directly elected by the public votes, consuming the public financial resources is closely related to financial responsibility. Performing financial responsibility requires an accounting system with financial and reporting supervision for general purposes (1, 2). Hence, the quality of the provided information in the public sector is particularly important due to the specific goal of reporting (3).

The foundation of accounting system in both public and non-profit sectors is on the basis of the concept of responsibility. According to this concept, governments should be responsible to their citizens and appropriately justify the process of both collecting and consuming financial resources. As a result, the most important aim of governmental accounting systems is to provide such information that would help the users in assessing responsibility and making political, economic, and social decisions.

The existence of qualified financial information in democratic systems opens the government's hands in performing the role of public responsibility since it is applied as a tool for assessing the task of responsibility and making political, economic, and social decisions by people (4). On the other hand, presenting nonqualified financial information, not only could be useless from the point of view of data users but also could destroy the public trust in accountants and damage the reputation of the whole profession (5). Yan Ball asserts that governmental financial reports should enjoy a highly

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qualified information. The quality of financial information must be measurable and causes to return the public trust in the financial clarification.

In addition, this mechanism should be able to hamper incompetency, mismanagement, and corruption. Currently, in our country, Iran, the performance of annual budget is the single most important financial reporting provided by the administration to carry out the task of responsibility (6). Therefore, performing the duty of responsibility and making political, economic, and social decisions requires highly qualified financial statements.

With respect to the financial reports of the public sector, Yan Ball (5), the Executive Director of the International Federation of Accounting Committee (7) (2010) believes that the included information in the financial statements of public sector does not reflect the features of neutrality and responsibility. These data have the capacity of imposing detrimental effect on the users of the financial reports.

Based on the above-mentioned information and due to the importance and effect of financial information on general aims of an institution, the following question will be raised: do the managers of Iranian medical universities believe that the presented financial reports contain qualified information?

### **Theoretical backgrounds**

The International Federation of Accounting Committee in the first draft of the conceptual framework of financial reporting for public purposes (7) defines the qualitative characteristics of financial statements in the public sector as being relevant, honest, understandable, timely, comparable, valid and confirmable.

1. Relevance: According to the International Federation of Accounting Committee in the first draft of the conceptual framework of general purposes financial reporting by public sector entities (7), the financial information is relevant when it has the ability to make a difference in achieving the objectives of financial reporting. The financial information has such ability when it has either confirmable value, predictable value, or both. The U.S. Financial Accounting Standards Board in the second Statement of Financial Accounting Concepts, has defined the predictive value and confirmative value as follows:

The Predictive value of information includes such qualitative information that will help the users to increase the possibility of correct prediction about the outcome of past or present events and the confirmative value is the ability to ensure that the data are indicative of what they claim.

2. Fairness & honesty in presentation: If it is assumed that someone should be dependent on a pack of information, the information needs to be fair in reporting the data. According to the International Federation of Accountants in the first draft of the conceptual framework of general purposes financial reporting by public sector entities (7), fairness & honesty in presentation is achievable when it is the image of a complete, impartial and error-free event.

3. Understandability: According to the International Federation of Accounting Committee in the first draft of

the conceptual framework of general purposes financial reporting by public sector entities (7), Understandability of the data is a quality of the financial information that enables the users to obtain the desired concepts. Understandability of the data should be understandable to a large number of users and should not be assumed that all users have a reasonable knowledge of accounting. Also, it should be noted that we should not remove some information from financial reports just for this reason that it may be very difficult to understand for some users (8).

4. Timeliness: the information is timely when it can have an effect on the users' decision about the financial statements. In other words, the information should be accessible to the users before it loses its impacts on user' decision (9). Also, it is quite obvious that, if the information is not provided timely, it loses its effectiveness (5).

The International Federation of Accounting Committee in the first draft of the conceptual framework of general purposes financial reporting by public sector entities (7), describes timeliness as providing effective information to the users for their responsibility and decision-making purposes.

5. Comparability: According to the U.S. Financial Accounting Standards Board in the second Statement of Financial Accounting Concepts, comparability means to compare one business unit with another. Also, they consider comparability as the quality of information that enables the users of financial statements to understand the similarities or differences between two types of financial activities.

Comparability means, the quality of information that enables the users to identify similarities and differences between two sets of events (7).

6. Validity: According to the U.S. Financial Accounting Standards Board in the second Statement of Financial Accounting Concepts, validity is synonymous with conformability. Validity defines as the ability which is achieved by people' agreements and causes to gain confidence about that the information represents what it claims.

According to the International Federation of Accounting Committee in the first draft of the conceptual framework of general purposes financial reporting by public sector entities (7), Validity is considered as a quality of the information that gives the users confidence about that the financial information which are presented in financial statement with general purposes are really what it claims.

In view of the importance of the quality of the presented financial reports for the users of the public sector and consequently, its impact on society, it is so important and necessary to recognize the qualitative aspects of the reports by examining the managers' attitude. Therefore, in this study, taking into account the criteria used by the International Federation of Accounting Committee in financial statements with general purposes; we study the attitude of the managers of Universities of Medical Sciences across the country towards the quality of the presented reports in 1390.

### **Empirical Backgrounds**

In recent years, a great deal of research has been carried out about the quality of the financial reporting or disclosure levels in annual reports.

Aghai and MosaviShiri (10) studied the models of the financial reporting in Iran. They believe that the numeric of the financial reporting is inconsecutive in Iran and the presenters emphasize more on the qualitative financial reporting than on the users' needs. Accordingly, the current financial reports in Iran cannot meet several needs of the users.

Mirshekariand and Sodagaran (11) classified the users' financial statements into seven different categories. They concluded that the users of the financial information have an emphasis on the useful information of the financial reports instead of emphasizing on agents', friends' or rumors' comments and recommendations. But the main concern of the users of the financial information in Iran is about the low reliability of the financial information and inappropriate disclosure of information in the financial statements.

Maher (1390) studied the attitudes of the managers of Shiraz University of Medical Sciences towards the quality of the presented financial reports. The results indicated that the financial reports of university (cash reports) did not have the qualitative characteristics of relevancy, fairness and honesty, understandability, timely, comparability, validity and conformability (12).

In another research, Tarighi (13) studied the quality of the financial reports in the domain of performing their responsibility and barriers in Iran. In his study, he examined the influence of structural, legal, political, social and cultural dimensions on accounting systems and financial reports. His findings revealed lack of progress in the public financial reporting purposes, especially in the government's responsibility in Iran.

Kordestani and Nasiri (4) showed that the financial reports of the public sector were unsuccessful in carrying out their responsibility and in assessing the public operations. In the similar vein, Babajani and Madadi (1) investigated the financial reports of Amir Kabir Polytechnic University, Khajeh Nasirodin Tosi Polytechnic University, Al Zahra University, and Shahid Beheshti University. The findings demonstrated that it is necessary to make changes in accountability and financial reporting system. They suggested that the Ministry of Science, Research and Technology, as a proctor of country higher education, arranges a situation and provide necessary facilities for studying, designing, developing and implementing new accounting and financial reporting systems for universities and institutions of higher education.

Sutton (14) studied the Changing Face of Accounting Technology Dominated World. Although he reviewed the traditional financial reporting quality, he recognized that the data of the traditional financial statements were incapable in representing the information to the users in order to perform their responsibilities and failed to provide information timely.

Pina and Torres (12) studied the implementation of the first act of the International Federation of Accounting Committee known as presenting the financial statements

of public sector organizations in 22 countries. Their findings along with the results of another research conducted by them a year ago in 51 municipalities of various countries represented a valuable feature of the accounting and financial reporting standards for public sector organizations, in order to play the role of the financial reporting in the public sector. However, in their studies, the possibility of homogenizing these standards had not been fully achieved.

Navarro and Bastida (15) studied 63 Spanish companies through employing a questionnaire. The findings demonstrated that the less respected financial reporting standards, the less would be the quality of reports and at last the less the effects of the information to the financial statements' users.

In sum, the results of the previous studies indicate the importance and role of the financial reports in decision-making and in performing the responsibility of managers and other users. However, in the previous experimental studies, the users' information needs and their attitudes toward the quality of the information have not been evaluated. Therefore, the present study attempted to improve the quality of financial reports in terms of the users' needs by assessing the attitudes of financial managers (16).

### Research questions

In order to achieve the main objectives of this study, we investigated the following cases:

1. Determining the attitudes of the financial managers of medical universities across the country towards the relevancy of the presented financial reports information in 1391.
2. Determining the attitudes of the financial managers of universities across the country towards the fairness and honesty of the presented financial reports information in 1391.
3. Determining the attitudes of the financial managers of medical universities across the country towards the understandability of the presented financial reports information in 1391.
4. Determining the attitudes of the financial managers of medical universities across the country towards the punctuality of the presented financial reports information in 1391.
5. Determining the attitudes of the financial managers of medical universities across the country towards the comparability of the presented financial reports information in 1390.
6. Determining the attitudes of the financial managers of the medical universities across the country toward the verifiability of the presented financial reports information in 1391.
7. Determining the attitudes of the financial managers of universities across the country towards the confirmation of the presented financial reports information in 1391.
8. Determine the attitude of the financial managers of universities across the country towards the predictability of the presented financial reports information in 1391.
9. Investigating the impact of personal and social

characteristics such as age, education level, marital status, gender, job experience, management experience and organizational position on the managers' attitudes towards the qualitative characteristics of the presented financial reports in 1391.

### **Research hypotheses**

In order to achieve the goals of this study, 9 questions were designed as follows:

First question: According to the opinion of the managers of Medical Sciences Universities across the country, do the financial reports of subordinate units of the Ministry of Health and Medical Education have the qualitative characteristics of relevancy in presenting the information?

Second question: According to the opinion of the managers of Medical Sciences Universities across the country, do the financial reports of subordinate units of the Ministry of Health and Medical Education have the qualitative characteristics of fairness and honesty in presenting the information?

Third question: According to the opinion of the managers of Medical Sciences Universities across the country, do the financial reports of subordinate units of the Ministry of Health and Medical Education have the qualitative characteristics of understandability in presenting the information?

Forth question: According to the opinion of the managers of Medical Sciences Universities across the country, do the financial reports of subordinate units of the Ministry of Health and Medical Education have the qualitative characteristics of punctuality in presenting the information?

Fifth question: According to the opinion of the managers of Medical Sciences Universities across the country, do the financial reports of subordinate units of the Ministry of Health and Medical Education have the qualitative characteristics of comparability in presenting the information?

Sixth question: According to the opinion of the managers of Medical Sciences Universities across the country, do the financial reports of subordinate units of the Ministry of Health and Medical Education have the qualitative characteristics of verifiability in presenting the information?

To examine precisely the first hypothesis, two hypotheses were designed as follows:

Seventh question: According to the opinion of the managers of Medical Sciences Universities across the country, do the financial reports of subordinate units of the Ministry of Health and Medical Education have the qualitative characteristics of conformability in presenting the information?

Eighth Question: According to the opinion of the managers of Medical Sciences Universities across the country, do the financial reports of subordinate units of the Ministry of Health and Medical Education have the qualitative characteristics of predictability in presenting the information?

Ninth Question: Do personal and social characteristics of the managers of Medical Sciences Universities across

the country have influence on their attitudes toward the qualitative characteristics of the presented financial reports?

### **Methods**

The purpose of this study was to find out whether the financial managers believe that the presented financial reports have the necessary qualitative characteristics on the basis of the accounting system or not. Thus, to test the research hypotheses, the data were collected through a measurable research method. The researchers used the researcher-made questionnaire. It consisted of 29 items with quintuple Likert scale. In order to ensure the reliability and validity of the questionnaire, on the basis of the experts' opinion, the questions of the questionnaire were modified and finalized in multi-stages. Cronbach's alpha was performed to test the reliability of the questionnaire. Cronbach's alpha test was (93/5%) which was highly acceptable for the purposes of this study.

The research sample consisted of 49 financial managers of medical universities across the country in 1391. Due to the importance of the influence of the managers' attitude on the results of this study and the role of managers, as one of the main users of financial information in responsibility and decision-making, the questionnaires were sent to all 49 participants. Finally, 45 questionnaires were completed and sent back to the researchers. It should be noted that the necessary information for this study were collected through a researcher-made questionnaire. The questions of this questionnaire were provided based on the theoretical concepts of financial reporting of the International Federation of Accounting Committee (5), and were classified into two groups of general and professional questions. The first part included 8 questions about the demographic information of the participants such as: gender, age, marital status, education level, matching the occupational category with education degree, job experience, employment status, and occupational group of respondents. The second section contained 29 items presented in 7 sections. Five propositions related to the qualitative characteristics of timeliness of the information. Six propositions were about the qualitative characteristics of the predictability of the information. Three propositions related to the qualitative characteristics of understandability of the financial information. Five propositions dealt with the qualitative characteristics of fairness and honesty in presenting the information. Three propositions assessed the qualitative characteristics of understandability of the information. Four propositions related to the qualitative characteristics of comparability of the information and 3 propositions considered the qualitative characteristics of verifiability of the university's financial information. In addition, for giving a privilege to each proposition a quintuple Likert scale was employed, which included options such as: completely disagree, disagree, no opinion, agree and completely agree, respectively with scores of 1, 2, 3, 4, and 5. With respect to the range of the mean, scores less than and equal to 3 indicate a negative attitude and a score more than 3 indicates a more positive attitude of managers

in each proposition. Moreover, the experts' opinions were used to verify the content and formal validity of the questionnaire. Cronbach's alpha was employed to check the reliability of the questionnaire. It should be noted that the questionnaire was given to subjects in their presence.

## Results

**Descriptive Statistics:** eight questions dealt with the personal and environmental characteristics of respondents such as: gender, age, marital status, education level, matching the occupational category with education degree, employment status and occupational group of respondents. The results of the descriptive analysis can be seen in Table 1.

**Table 1.** general information of the questionnaire

column	characteristics	frequency	Percentage	cumulative frequency	Cumulative percentage	
1	Gender	male	41	91.11%	41	91.11%
		female	4	8.89%	45	100%
2	Age	Less than 30 years	0	0	0	0
		30 to 45 years	30	66.67%	30	66.67%
		Above 45 years	15	33.33%	45	100%
3	Marital status	Single	1	2.22%	1	2.22%
		Married	44	97.78%	45	100%
4	Education level	Diploma	0	0	0	0
		A.A	0	0	0	0
		B.A	31	68.69%	31	68.89%
		M.A	31	26.67%	43	95.56%
		Phd	2	4.44%	45	100%
5	Matching the occupational category with education degree	Correspondence	42	93.33%	42	93.33%
		Conflict	3	6.67%	45	100%
6	Job experience	Less than 10 years	2	4.44%	2	4.44%
		10 to 20 years	21	46.67%	23	51.11%
		Above 20 years	22	48.89%	45	100%
7	Employment status	Projective	0	0	0	0
		Conventional	0	0	0	0
		Contractual	7	15.56%	7	15.56%
		Official	38	84.44%	45	100%
		Support	0	0	0	0
8	Job group	Administrative	1	2.22%	1	2.22%
		Financial	44	97.78%	45	100%
		IT	0	0	45	100%
		Technical	0	0	45	100%
		Finance and Administration	0	0	45	100%

Inferential statistics: parametric t-test, One-way ANOVA analysis, middle non-parametric tests, and Kruskal-Wallis tests were performed to answer the research hypotheses.

## Discussion

Table 2 indicates the results of the first eighth hypotheses. As can be seen, a significant amount of t-statistics and the low and top limit reveal that the mean of responses is significantly greater than the test value of 3. Therefore, the first, second, third, fourth, sixth, seventh and eighth

hypotheses were accepted with the reliability level of 95%. Also, a significant amount of z-value in median test shows that the median of responses is equal to 4. Since 33 cases of 45 cases were larger or equal to the test value of 4, the fifth hypothesis was accepted with the significant level of 95%.

Also tables 3 to 8 indicate the results of investigating the influence of personal and social characteristics of financial managers of Medical Universities across the country on their attitudes towards the qualitative characteristics of the presented financial reports.

The results of investigating the influence of managers' age on their attitudes toward the qualitative characteristics of the financial reports are presented in Table 3. According to the results of the normal variables and whereas the respondents are in two age groups, except the qualitative

characteristics of verifiability, it is used t-test for investigating the influence of managers' age on their attitudes toward the qualitative characteristics of the financial reports.

As you can see, assuming equal variance, t- value is significantly greater than 0.05 and indicates that the managers' attitudes towards the qualitative characteristics of relevancy, fairness and honesty, understandability, punctuality, comparability, confirmability and

predictability of the presented reports are not effected by age. Also, z-value is significantly greater than 0.05 and indicates that the managers' age doesn't affect significantly on their attitude towards the qualitative characteristics of verifiability.

and predictability. Also, a significant K-square value is larger than 0.05 which indicates that the managers' education levels doesn't significantly affect their attitude towards the qualitative characteristics of verifiability. The results of the influence of managers' gender on their

Table 2. the results of 1-8 hypotheses' test

number of hypothesis	Qualitative characteristics	t-test					The results of hypotheses' test
		T-value	Degrees of freedom	significance	Low limit	Top limit	
1	Relevancy	11.833	44	0.001	0.832	1.173	Acceptable
2	Fairness & honesty	8.948	44	0.001	0.668	1.056	Acceptable
3	Understandability	5.845	44	0.001	0.417	0.857	Acceptance
4	Punctuality	7.053	44	0.001	0.527	0.949	Acceptable
6	Comparability	10.596	44	0.001	0.808	1.177	Acceptable
7	confirmability	9.809	44	0.001	0.718	1.089	Acceptable
8	predictability	11.829	44	0.001	0.873	1.231	Acceptable
number of hypothesis	Qualitative characteristics	Median test					The results of hypotheses' test
		Value of the test	Smaller observation	Larger & equal observation	Z-value	significance	
5	verifiability	4.00	12	33	0.349	0.727	Acceptable

attitudes toward the qualitative characteristics of financial

Table 3. the results of 9th hypothesis' test-age

Qualitative characteristics	The mean comparison test of two independent variables (t)					The results of hypotheses' test
	f-value	Significance of f	t-value	Degree of freedom	Significance of t	
Relevancy	1.681	0.202	-1.223	43	0.228	Unacceptable
Fairness & honesty	0.793	0.378	-1.418	43	0.163	unacceptable
Understandability	1.185	0.282	-1.986	43	0.053	Unacceptable
Punctuality	2.592	0.115	-1.239	43	0.222	Unacceptable
Comparability	0.106	0.740	-1.097	43	0.279	Unacceptable
confirmability	1.806	0.186	-0.908	43	0.369	Unacceptable
predictability	1.548	0.220	-1.275	43	0.209	Unacceptable
Qualitative characteristics	MENVITNI test					The results of hypotheses' test
	z-value		significance			
verifiability	-0.923		0.356			Unacceptable

The results of the influence of managers' education levels on their attitudes toward the qualitative characteristics of the presented financial reports can be seen in Table 4. According to the results of the normal variables, except the qualitative characteristics of verifiability, One-way ANOVA was employed to investigate the influence of managers' education levels on their attitudes towards the qualitative characteristics of the financial reports.

As can be seen, a significant f-value, presented for qualitative characteristic of relevancy, fairness and honesty, understandability, and conformability is less than 0.05 which indicates that the managers' attitude towards these qualitative characteristics is affected by their education levels. However, a significant f-value, presented for the other qualitative characteristics, is larger than 0.05 which reveals that the education level doesn't significantly affect the qualitative characteristics of timeliness, comparability,

reports are presented in Table 5. According to the results of the normal variables, except the qualitative characteristics of verifiability, t-test was used for investigating the influence of managers' gender on their attitudes toward the qualitative characteristics of financial reports.

As can be seen, with the assumption of equality in variances for qualitative characteristics of relevancy, fairness and honesty, timeliness, comparability, confirmability, and predictability and with the assumption of inequality in variances for the qualitative characteristics of understandability, a significant t-value is larger than 0.05 which indicates that gender doesn't influence the managers' attitudes towards the qualitative characteristics of the presented reports. Also, a significant z-value is larger than 0.05 which demonstrates that the managers' gender doesn't significantly affect their attitudes towards the qualitative characteristics of verifiability.

**Table 4.** the results of 9th hypothesis' test-education level

Qualitative characteristics	One-way ANOVA analysis test			The results of hypotheses' test
	f-value		Significance	
Relevancy	3.270		0.048	Acceptable
Fairness & honesty	3.767		0.031	Acceptable
Understandability	5.487		0.008	Acceptable
Punctuality	2.457		0.098	Unacceptable
Comparability	1.174		0.319	Unacceptable
confirmability	3.409		0.042	Acceptable
predictability	2.596		0.087	Unacceptable
Qualitative characteristics	KRUSKAL VALIS test			The results of hypotheses' test
	K-square	Degree of freedom	significance	
verifiability	4.424	2	0.	Unacceptable

**Table 5.** the results of 9th hypothesis' test-gender

Qualitative characteristics	The mean comparison test of two independent variables (t)					The results of hypotheses' test
	f-value	Significance of f	t-value	Degree of freedom	Significance of t	
Relevancy	0.047	0.829	1.015	43	0.316	Unacceptable
Fairness & honesty	3.512	0.068	0.282	43	0.780	unacceptable
Understandability	7.053	0.011	0.461	43	0.675	Unacceptable
Punctuality	3.113	0.085	0.480	43	0.634	Unacceptable
Comparability	0.257	0.615	1.524	43	0.135	Unacceptable
confirmability	0.035	0.852	0.323	43	0.748	Unacceptable
predictability	1.548	0.220	-1.275	43	0.209	Unacceptable
Qualitative characteristics	MENVITNI test				The results of hypotheses' test	
	z-value		significance			
verifiability	-0.251		0.802		Unacceptable	

The results of investigating the influence of managers' job experience on their attitudes towards the presented financial reports indicate in Table 6.

According to the results of the normal variables, except the qualitative characteristics of verifiability, it is used One-way ANOVA analysis for investigating the influence of managers' job experience on their attitudes toward the qualitative characteristics of financial reports.

**Table 6.** the results of 9th hypothesis' test-job experience

Qualitative characteristics	One-way ANOVA analysis test			The results of hypotheses' test
	f-value		Significance	
Relevancy	2.321		0.111	Unacceptable
Fairness & honesty	1.396		0.259	Unacceptable
Understandability	2.927		0.065	Unacceptable
Punctuality	3.431		0.042	Acceptable
Comparability	1.174		0.140	Unacceptable
confirmability	1.528		0.229	Unacceptable
predictability	2.547		0.090	Unacceptable
Qualitative characteristics	KRUSKAL VALIS test			The results of hypotheses' test
	K-square	Degree of freedom	significance	
verifiability	1.296	2	0.523	Unacceptable

The results of investigating the influences of job experience, a significant F-statistics value which is presented for the qualitative characteristics of punctuality is larger than 0.05 and indicates that the managers' job experience doesn't affect significantly on their attitude towards this qualitative characteristics. However, a significant f-value is presented for the other qualitative characteristics is larger than 0.05 and indicates that job experience doesn't affect significantly on the qualitative characteristics of relevancy, fairness and honesty, understandability, comparability, confirmability, and predictability.

Also, a significant amount of K-square value is larger than 0.05 and indicates that the managers' job experience doesn't affect significantly on their attitudes towards the qualitative characteristics of verifiability.

The results of investigating the influence of matching the occupational category with the managers' education degree on their attitudes towards the qualitative characteristics of presented financial reports are presented in Table 7. According to the results of the normal variables, except the qualitative characteristics of verifiability, it is used t-test for investigating the influence of managers' matching the occupational category with the managers' education degree on their attitudes toward the qualitative characteristics of financial reports.

As you can see, with assumption of equality in variances, a significant amount of t- value is larger than 0.05 and

indicates that matching the occupational category with the managers' education degree doesn't affect the managers' attitudes towards the qualitative characteristics of relevancy, fairness and honesty, understandability, punctuality, comparability, confirmability, and predictability. Also, a significant amount of the z-value is larger than 0.05 and indicates that matching the occupational category with the managers' education degree doesn't affect significantly on their attitudes towards the qualitative characteristics of verifiability.

The results of investigating the influence of the managers' employment status on their attitudes towards the qualitative characteristics of the presented financial reports are presented in Table 8. According to the results of the normal variables and whereas the respondents are in two employment status groups of official and contractual, except the qualitative characteristics of verifiability, it is used t-test for investigating the influence of managers' employment status on their attitudes towards the qualitative characteristics of presented financial reports.

As you can see, with the assumption of equality in variances, a significant amount of t-value is larger than 0.05 and indicates that employment status doesn't affect significantly on the managers' attitudes towards the qualitative characteristics of relevancy, fairness and honesty, understandability, punctuality, comparability, confirmability, and predictability.

**Table 7.** the results of 9th hypothesis' test-matching occupational category with education degree

Qualitative characteristics	The mean comparison test of two independent variables (t)					The results of hypotheses' test
	f-value	Significance of f	t-value	Degree of freedom	Significance of t	
Relevancy	0.780	0.382	1.426	43	0.161	Unacceptable
Fairness & honesty	2.469	0.123	0.538	43	0.593	unacceptable
Understandability	0.116	0.736	0.741	43	0.463	Unacceptable
Punctuality	3.614	0.064	1.210	43	0.233	Unacceptable
Comparability	0.089	0.766	0.441	43	0.661	Unacceptable
confirmability	0.827	0.368	0.683	43	0.498	Unacceptable
predictability	0.332	0.568	1.693	43	0.098	Unacceptable
Qualitative characteristics	MENVITNI test					The results of hypotheses' test
	z-value		significance			
verifiability	-0.932		0.352			Unacceptable

**Table 8.** the results of 9th hypothesis' test-employment status

Qualitative characteristics	The mean comparison test of two independent variables (t)					The results of hypotheses' test
	f-value	Significance of f	t-value	Degree of freedom	Significance of t	
Relevancy	0.325	0.571	0.707	43	0.483	Unacceptable
Fairness & honesty	0.180	0.673	-0.401	43	0.691	unacceptable
Understandability	0.019	0.892	-0.256	43	0.799	Unacceptable
Punctuality	0.658	0.422	-1.035	43	0.306	Unacceptable
Comparability	0.099	0.754	1.207	43	0.234	Unacceptable
confirmability	0.121	0.730	0.890	43	0.378	Unacceptable
predictability	0.082	0.776	0.550	43	0.585	Unacceptable
Qualitative characteristics	MENVITNI test					The results of hypotheses' test
	z-value		significance			
verifiability	-1.233		0.218			Unacceptable



## Conclusion

The present study provides new insights regarding the qualitative characteristics of the financial reports in improving the responsibility of public sector managers. Using data from a sample of 45 financial managers of Medical Universities and Health Services across the country the managers' attitude towards the quality of financial reports was examined.

The results of the analysis of the first hypothesis (relevancy of presented the financial reports) indicate that according to the financial managers of Medical Universities and Health Services across the country, "the presented financial reports have the qualitative characteristics of relevancy". The results of the analysis of the second hypothesis (fairness and honesty in presenting the financial reports) indicate that according to the financial managers of Medical Science Universities and Health Services, "the financial reports of university have the qualitative characteristics of fairness", and so the second research hypothesis is accepted. According to the results of the analysis of the third hypothesis (understandability of the presented financial reports) and acceptance of this hypothesis, "financial reports of university have the qualitative characteristics of understandability". The results of the analysis of the fourth hypothesis (timeliness of information in presenting the financial reports) indicate that according to the opinion of financial managers of Medical Science Universities and Health Services across the country, "the presented financial reports have the qualitative characteristics of punctuality", and also the fourth hypothesis is accepted. The results of the analysis of the fifth hypothesis (verifiability of the financial reports), as well as the fourth hypothesis show that according to the financial managers of Medical Science Universities and Health Services, "the financial reports have the qualitative characteristics of verifiability". The results of the sixth hypothesis (comparability of the financial reports) indicate that according to the opinion of the financial managers of Medical Science Universities and Health Services, "the financial reports of university have the qualitative characteristics of comparability", and also the sixth hypothesis is accepted. Based on the seventh hypothesis and as regards the opinion of the financial managers of Medical Sciences Universities, the presented financial reports have the qualitative characteristics of relevancy, fairness and honesty, understandability, punctuality, verifiability, and comparability, so we can conclude that the financial reports have the ability to provide the information to the users with the evaluation and improvement of the predictions.

The results of the analysis of the eighth hypothesis (predictability of the financial reports) indicate that according to the opinion of the financial managers of Medical Sciences Universities and Health Services, "the presented financial reports have the qualitative characteristics of predictability". Based on the results of the eighth hypothesis, since the presented information in financial reports include the disclosure of past events and activities and also due to the qualitative characteristics of relevancy, fairness and honesty, understandability, punctuality, verifiability, and comparability, the financial

statements have the ability to provide information about future cash condition, evaluate the costs and income condition, predict and estimate the future activities for the users. Based on the results of the ninth hypothesis, personal and social characteristics of the managers of Medical Sciences Universities across the country don't affect their attitudes towards the qualitative characteristics of the financial reports.

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