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Users' Perceptions on Internet Financial Reporting

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Background and Purpose: The objective of this research was to explore the perceptions of the users regarding Internet financial reporting practices in Slovenia. With this research, we wanted to determine what the perceptions of the users are regarding the reliability, credibility, usefulness and sufficiency of online accounting information and how their expectations regarding the content of accounting information differ from the actual situation.
Design/ Methodology/ Approach: This research has two parts: in the first part, we summarised the actual situation regarding publishing of internet financial reporting on a sample of large companies in Slovenia (n=110) while, in the second part, we conducted a survey with which we assessed the expectations of users as regards of accounting information (n=127). We then compared users' expectations with the actual situation, analysed by evaluation of 110 websites of Slovene companies.
Results: In the research we found that 52.6% of companies publish their accounting information on their websites and that on average 40.2% of users actually make use of this information We found that users have evaluated all four of characteristics: reliability, credibility, usefulness and sufficiency above average, whereby they evaluated usefulness with the highest grade and sufficiency with the lowest.
Conclusion: The results of this research can offer companies a feedback on users' expectations, particularly in cases where these expectations are greater than the actual situation. We have determined that users generally want information that indicates the financial status of a company (such as the Rating Report and data on the company's liquidity), as these information are currently expected by users but available information do not meet their need in full.

Keywords: Internet financial reporting, users' perceptions, IFR indicator, accounting information

1 Introduction

In this era of social, technological and market challenges, a company's systematic communication with its interest groups is considered essential and indispensable. The Internet presents one of such communication forms. Worldwide and domestically, a growing number of companies have their own website, as it enables numerous possibilities for presentations of companies. In addition to sales, services and marketing, companies' websites include even more information on their operation, inclusive of accounting and financial information that are usually presented within an Annual Report or as individual information intended for investors. For this type of reporting, the term Internet Financial Reporting (IFR) is used.

Users can find companies' Annual Reports and certain accounting information on companies in various databases. These information are more unified, as mostly they summarise officially published information, required by national legislation; however, access to most of these online databases is payable, or they are comprised of only certain information and not complete Annual Reports. Thus, it is easier for the users to obtain accounting information on companies directly from their websites.

This type of reporting is also less expensive for companies, accessible to a wider circle of users and, in addition, companies can avail themselves of all the advantages of Internet technology when creating their presentations, for instance: Interactivity of presentation, currency, flexibility, use of multimedia presentations and the like. If we intend to make accounting information useful for the users these must also be true, impartial, timely, confidential and reliable.

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This is precisely the purpose of this article, in which we wish to determine what the perceptions of the users are regarding the reliability, credibility, usefulness and sufficiency of online accounting information and how their expectations regarding the content of accounting information differ from the actual situation.

2 Review of Theoretical background

The theoretical background of IFR may be explained using different theories, which are classified into two groups. The first includes modern economic theories (agency and signal theories, interest group theory, legitimacy theory, transaction costs theory and corporate governance theory), used to primarily interpret the the impact of different factors (company size, profitability, age, industrial sector, ownership concentration…) on IFR.

The second includes theories and models that apply either on the expectations of the users regarding the content of accounting information (interest groups theory), or to their acceptance of novelties, enabled by the world wide web at forwarding these information (the TAM model and innovation diffusion theory). Hereinafter, some of this theories will be presented briefly.

2.1 Agency theory

Agency theory is concerned with the problem of interest conflicts arising from the separation of ownership and control of a company. If managers do not act on behalf of their shareholders but try to further their own interests, this may lead to agency costs, such as the decline in the value of the company and monitoring costs to supervise the management (Marston and Polie, 2004). Watson et al. (2002) stated that managers have incentives to increase disclosure to convince shareholders that they are acting optimally because they know that shareholders seek to control their behaviour through bonding and monitoring activities.

2.2 Corporate governance theory

Corporate governance is defined as the relationship between various participants (the chief executive officer, management, shareholders and employees) in determining the direction and performance of firms (Monks and Minow, 1995; Al Motrafi, 2008). In Slovenia, large firms usually have the form of public limited companies and limited liability companies. Generally, the ownership of public limited companies is more dispersed than that of limited liability companies. Investors who own only a small percentage of shares in a company have limited access to information about the enterprise.

It can be assumed that these investors will use the Internet to gather company-specific information because data from other sources is more difficult to obtain (Marston in Polie, 2004). Presenting their financial reporting on the Internet is perhaps a mechanism by which the company might disclose more information to reduce agency costs (Kelton, 2006).

Because of this, it was our objective to ascertain how the company's legal form and consequently the ownership structure impact the disclosure of financial information online. Based on agency theory and corporate governance theory the H4 in the research part of the paper was developed and tested by the t-test for two independent samples.

2.3 Interest group theory

The beginnings of this theory reach back to 1980, when Edward Freeman defined an interest group as »any group or individual who can affect or is affected by the achievement of the organization's objectives« (Freeman, 1984). Various groups of accounting information users, or interest groups, have various aims regarding the operations of a company and thus, also, various needs for information.

The type of information depends on the individual's approach to information, the nature of instrument they use, the nature and circumstances of the operations of a company and the individual's needs for information (Horvat, 2003). Of all interest groups, Internet financial reporting is intended mostly for a financial public that includes owners (shareholders), other investors (owners of bonds, lenders) and all other individuals who influence investment decisions (stockbrokers, analysts, regulators …).

To this end, companies will usually create a »for investors« tab and publish information intended for the financial public in it. In accordance with this theory, we have established H2 in the research part of the paper paper. It was tested by the interval estimation of mean.

2.4 Technology Acceptance Model

The Technology Acceptance Model is the most frequently used model of information technology acceptance in literature (Sharp, 2007), with which we are able to explain how users accept information in information technology and implement them into their work. The model, which was developed by Davis (1989), predicts how and when users will accept or begin to use a new technology, whereby two factors are important. The first is the perceived usefulness – PU, which denotes a user's conviction that technology will improve their work or effectiveness; and the second is the perceived ease-of-use – PEOU, which measures the effort required for an efficient use of the new technology.

If we transfer the model onto Internet financial reporting we find that it provides several benefits to the users, for instance: Timeliness of information, access to information at any time and from any location, accessibility to a larger number of users, use of interactive and multimedia tools, low costs and transparency of information. One of the more interesting features of the Internet is that it allows companies

to provide information targeted at different stakeholders and to obtain feedback from them (Branco and Rodrigues, 2006). In research conducted by Ali Khan and Ismail (2012), users indicated easier acceptance of investment decisions and greater effectiveness at obtaining accounting information as its greatest advantages. Based on this model, we have established H1 in the research part of the paper. It was tested by analysing the confidence interval for proportion.

2.5 Innovation Diffusion Theory

The Innovation Diffusion Theory attempts to explain and describe the mechanism that will study the process from the acceptance of a certain invention up to its successful implementation in practice. Sevcik (2004) determined that it could take some time before an invention actually becomes an innovation, and that it happens many times that non-acceptance of novelties can present an obstacle for innovation diffusion. The theory was applied in numerous fields: Sociology, anthropology, marketing and informatics (Al Motrafi, 2008).

This theory deals largely with technological innovations, Internet financial reporting being one of them. Innovativeness in this field is manifest in terms of the content, as well as in terms of the form of reports. Every innovation also carries a certain degree of risk, which can be seen in lower trust in the information presented by companies on their websites, which presents one of the weaknesses of IFR. This theory was the basis for the formation of H3 in the research part of the paper. It was tested by the t-test for two independent samples.

3 Literature review

Research regarding Internet financial reporting proceeded from 1996, when the Internet was first used for advertising and commercial purposes (Allam and Lymer 2003). The first research into Internet financial reporting was conducted in 1996 by Petravick and Gillett using a sample of 150 companies from the USA classified among the Fortune 500 at the time (Petravick and Gillett, 1996). Later, such research was also undertaken in European countries, and recently in Arabic and Asian countries.

This research can be divided into three groups. The first group is research with which the authors wanted to determine the share of companies that publish their accounting information on their websites. Such researches were conducted by: Petravick and Gillett (1996), Booker and Galbreath (1997), Lymer (1997), Lymer and Tallberg (1997), Craven and Marston (1999), Debreceny and Gray (1999).

The second group is comprised of research that began mostly after 2000 and in which the authors determined factors that influence the level of IFR (for instance, the size, profitability, industrial sector, ownership, age of the company and other similar factors). For this purpose, a quantitative measure was designed – the IFR indicator, as the aggregated value of individual assessment elements in terms of content and form. Previous research has shown:

- a positive correlation between company size and IFR: Craven and Marston, (1999), Pirchegger and Wagenhofer (1999), Ettredge et al. (2001), Debrency et al. (2002), Laran and Liner, (2002), Allam and Lymer (2003), Oyeler et al. (2003), Xiao et al. (2004), Bollen et al., (2006), Al Shammari (2007), Damaso and Lourenco (2011), Dyczkowska (2014).
- a negative correlation between profitability and IFR: Xiao et al. (2004), Trabelsi et al. (2008), Momany and Pillai (2013) and Dyczkowska (2014), while the research performed by Pervan (2006), Al-Moghaiwli (2009), Homayoun and Rahman (2010) established a positive correlation between profitability and IFR.
- a positive correlation between ownership dispersion and the IFR: Abd-elsalam et al. (2007) and Al-Moghaiwli (2009), while Xiao et al. (2004) and Al Shammari (2007) failed to establish such a correlation.

The third group of research refers to the significance of accounting information disclosed on websites for various interest groups. In this case, the researchers were assessing the perceptions of accountants, auditors (Xiao et al., 2002) and managers in medium-sized companies (Gowthorpe, 2004; Smith and Pierce, 2005) through interviews and surveys. Therefore, we have formed a research question that reads as follows: Which accounting information do Slovenian companies publish on their websites and is this information harmonised with the users' perceptions?

In our research, we have combined both aspects as, in the first part of the research, we will summarise the actual situation regarding publishing of accounting information on a sample of large companies in Slovenia while, in the second part, we conducted a survey with which we assessed the expectations of users as regards these information.

4 Methods

The goal of the research was to determine how often the users make use of websites in order to obtain accounting information, what their perceptions are on this information and how their perceptions differ from the actual situation. To this end, we have formed four hypotheses:

- H1. When checking the credit standing of their business partners, more than half of the users in Slovenian companies have used accounting information disclosed on companies' websites at least once in the previous year. *This hypothesis was tested by the interval estimation of proportion.*
- H2. The users of accounting information in companies evaluate the accounting information disclosed on the websites of their business partners as reliable, credible, useful and sufficient. *This hypothesis was tested by the interval estimation of mean.*

- H3. There is no difference between the accounting information expected by the users and the actual accounting information disclosed on the companies' websites. *This hypothesis was tested by the t-test for two independent samples.*
- H4. The companies whose securities are quoted on a stock exchange (listed companies) disclose the accounting information on their websites more widely than the companies whose securities are not quoted on a stock exchange (private companies). *This hypothesis was tested by the t-test for two independent samples.*

4. 1 Evaluation of companies' websites

The first part of our research included the analysis of websites of large companies in Slovenia. As a criterion for largeness, we have considered two out of three fulfilled conditions according to the Companies` Act meaning that the number of employees equals or is greater than 250, total income equals or is greater than 35 million EUR and the value of total assets exceeds 17.5 million EUR. The overall population included 209 companies. We found that 26 companies (12.4%) do not have a website[1], while 73 companies (34.4%) have a website, but do not disclose accounting information on it. The remaining companies, namely 110 (52.6%), disclose their accounting information on their websites. In the continuation, these companies represented our research sample.

The research took place in January 2012. In the assessment, we used an assessment form that was also used by other researchers (Pirchegger and Wagenhofer 1999; Marston and Polie, 2004; Pervan, 2006). In it, we included 50 elements of assessment, of which 32 were content related and 18 were form related. We used a dichotomic way of evaluation, in which we added to an element that was present on the website value 1, and otherwise, the value 0. The sum of all elements gave us the IFR indicator, which shows the degree of Internet financial reporting for an individual company. 4. 2 Conducting the survey among the users of Internet financial reporting.

The second part of the research, where we determined the perceptions and expectations of the users of Internet financial reporting, was performed with a survey. The survey questionnaire included 33 questions divided into three parts according to the content: In the first part we inquired about respondents' demographical data (age, gender and field of employment), in the second part about the general information on the companies where the respondents work (size, line of business and legal organisation), and the third one was comprised of questions on respondents' perceptions as regards the content and form of online accounting information.

Beforehand, we conducted a pilot study in which we tested the survey questionnaire on a sample of 20 people. The purpose of this was mainly to test the comprehensiveness of the survey questions and to consider respondents' suggestions regarding the content of the survey. On the basis of feedback from the interviewees we have defined certain questions more clearly and also added some questions regarding the interviewees' point of views on the manner of accounting information presentation.

The population was comprised of the users of accounting information in companies, for instance Accountants, Financial Managers, investors, sales specialists. All companies from the online database Bizi.si represent the sampling frame of the research. Due to the large population we chose sampling, namely multi-phase sampling. The first phase was choosing the companies by statistical region in a proportional share according to the number of companies in the region.

In the second phase, we selected companies randomly with their e-mails published within each statistical region. We sent our questionnaires to 2,612 company addresses and received back 127 questionnaires, representing a response rate of less than 5%.

The issue of low response rate is one of the major problems of online surveys (Monroe and Adams, 2012). In order to obtain greater response we used three measures in our survey: Personalised invitation, non-financial reward in the form of forwarded research results and a suitable length of the survey questionnaire. The survey was carried out from 17th June 2013 to 6th August 2013.

Before describing sampling procedure explain what was your sampling frame (describe the source of the list of all companies which was used in sampling procedure).

1 In most cases these are the subsidiaries of foreign companies, which have been founded by foreign legal persons and are in majority foreign ownership.

2 In companies where the e-mail addresses of employees were posted on the website, the survey was sent directly to the addressees (such as Accountants, Financial Managers and sales specialists). Where such procedure was not possible due to the fact that the company had only a general e-mail address posted, we provided a covering letter in which we explained that the survey should be sent to the employees in the accounting, financial and sales sector.

3 We achieved personalisation by addressing a surveyed user personally, which indicates respect towards the surveyed user and creates the feeling of importance (Dillman, 2000). Non-financial reward was in the form of forwarded research results to those surveyed users who explicitly expressed this wish, and for the length of survey questionnaire, we took into account that it should not take more than 15 minutes.

5 Results

5.1 Descriptive statistics of the analysis of websites of large companies

The sample included 110 companies. In view of their legal form, 93 (84.5%) companies were public limited companies, and 17 (15.5%) were private limited liability companies. 24 of these public limited companies are quoted at the Ljubljana Public Stock Exchange, namely 8 in the first quotation, 10 in the standard quotation and 6 in the entry quotation. The average age of the studied companies was 64 years (SD=51), and the average number of employees was 939 (SD=1.617). The Table 1 shows the structure of companies according to the sector wherein we have used the European Classification of Industries (NACE Rev. 2).

Regarding the content of accounting information, we evaluated 32 different elements and formed these into the IFR indicator – content. The descriptive statistics of the indicator are evident from Table 2. The average value of the indicator is 18.13 (SD=5.69), the lowest 5, and the highest 31, which means the range is 26. The most common value of the indicator is 17, as is the median value. The coefficient of variation is 31.4%. The distribution is slightly asymmetrical (coefficient of skewness = 0.205) and slightly flattened (coefficient of kurtosis = - 0.240).

As regards the content, we have determined that almost all of the companies have their Annual Report published on their website, usually in PDF format, while some companies also have an interactive version. 29.1% of the companies considered also publish interim reports (semi-Annual or Quarterly Reports) in addition to the Annual Statements. 62.7% of the companies considered also publish their Annual Statement in a foreign language, most often in the English language. All financial statements are also well presented, as are their explanations, accounting policies and Auditor's Report – these data are published by more than 90.0% of companies. The following areas are presented somewhat less efficiently: Operational review, accounting ratios and their explanations, sustainable development, financing activities and investments, and corporative governance. Only 25.5% of companies report on its financial situation (such as liquidity, maturity of loans, publication of rating reports, etc.).

Table 1: The structure of companies according to the sector

Sector	N	%
B - mining and quarrying	1	0.9
C - manufacturing	32	29.1
D - electricity, gas, steam and air conditioning supply	12	10.9
E - water supply; sewerage, waste management and remediation activities	1	0.9
F - construction	8	7.3
G - wholesale and retail trade; repair of motor vehicles and motorcycles	11	10.0
H - transportation and storage	9	8.2
I - accommodation and food service activities	3	2.7
J - information and communication	2	1.8
K - financial and insurance activities	28	25.5
Q - human health and social work activities	1	0.9
R - arts, entertainment and recreation	2	1.8
Total	**110**	**100,00**

Table 2: Descriptive statistics of indicator IFR-content

	N	Minimum	Maximum	Mean	Std. Deviation
IFR-content	110	5,00	31,00	18,1364	5,69641

In addition to the above listed accounting information that is usually presented within the Annual Report itself, just over half of the companies also present independent accounting information on their websites, usually within the tab »For investors«. Most often, these are data on shareholders assemblies, public announcements for investors, data on shares and dividends, ownership structure and financial calendar.

5.2 Descriptive statistics of the users of online information

Regarding the gender of our surveyed users, we included 83 women (65.4%) and 44 men (34.7%). The youngest surveyed user was 26 years old and the oldest was 63 years old; the average age was 42.65 years (SD=8.57 years). The remaining characteristics of the sample are shown in the Table 3.

5. 3 Hypotheses testing

5.3.1 Testing the H1

In our research we determined that 5 (3.9%) of our surveyed users do not obtain accounting information on their business partners. The remaining 122 surveyed users obtain this information from one or more sources: The most common source is AJPES (the Agency of the Republic of Slovenia for Public Legal Records and Services), where 89 (70.1%) of surveyed users obtain information, followed by companies' websites used by 47 (37.0%) surveyed users. These were followed by credit rating organisations that provided accounting information to 19 (15.0%) surveyed users, while 20 (15.7%) surveyed users used other means of obtaining information. These data are shown in Figure 1.

In the continuation of the research, we focused on the companies that used companies' websites among their sources of information. When asked whether their company has used websites to obtain accounting information in the previous year, 51 (40.2%) of surveyed users replied that they had used websites and 76 (59.2%) of surveyed users replied that they had not.

To test the hypotheses, we calculated the confidence interval for proportion. Based on the point estimate of proportion and the standard error of estimate, we have calculated the confidence interval:

$$P(40{,}16 - 1{,}96 * 4{,}35 < \pi < 40{,}16 + 1{,}96 * 4{,}35) = 0{,}95$$
$$P(31{,}63 < \pi < 48{,}68) = 0{,}95$$

We thus conclude with 95% confidence that the share of users who make use of online accounting information is between 31.6% and 48.7%. This means that we cannot confirm the hypothesis H1, which states that at least half (at least 50.0%) of users make use of online accounting information.

5.3.2 Testing the H2

Our second hypothesis was used to test users agreeing with the statement that accounting information disclosed on websites is reliable, credible, useful and sufficient. The users expressed their agreement on a 5-point Likert type scale, where value 1 represents the answer »I strongly disagree«, and value 5 represents the answer »I strongly agree«. In all four cases the surveyed users evaluated all the characteristics with an above-average grade, as means were higher than 3.50 in all cases. On average, the surveyed users evaluated the usefulness of accounting information with the highest grade (M=4.17, SD=0.062), followed by reliability (M=3.78, SD=0.069), credibility (M=3.75, SD=0.074), and finally sufficiency (SD=3.54, MD=0.079). The results are shown in Table 4.

Table 3: Descriptive statistics of the sample of users

Variable	Description	N	%
Size of their company	Small	82	64.6
	Medium	23	18.1
	Large	22	17.3
Legal form of their company	Private limited liablity company	89	70.1
	Public liability company	27	21.3
	Sole trader	5	3.9
	Others	6	4.7
Field of employment	Accounting	63	49.6
	Finance	26	20.5
	Sales	20	15.8
	Other fields	18	14.2

In order to test our hypothesis, we calculated the confidence interval for mean. The calculations are shown in Table 5.
We thus conclude with 95% confidence that the that the average evaluation of reliability of accounting information is between 3.65 and 3.92, the average evaluation of credibility of accounting information is between 3.60 and 3.90, the average evaluation of usefulness of accounting information is between 4.04 and 4.29, and the average evaluation of sufficiency of accounting information is between 3.39 and 3.69. As all three interval estimations of means are within the interval that is larger than 3.50 (except the last one – accounting information is sufficient) we can partially confirm the hypothesis H2. With a 95% probability we estimate that users evaluate accounting information disclosed on websites as reliable, credible and useful.

We also wanted to determine whether there exist differences in the point of views between the Accountants and Financial Managers on one side and the sales specialists and other profiles on the other side. The results of the t-test have shown that there are no statistically significant differences in the user's point of views in neither of the statements.

5.3.3 Testing the H3

With our third hypothesis we checked the differences between the accounting information expected by the users and the actual accounting information disclosed on the companies' websites. We tested the hypothesis with a t-test for two independent samples. With the t-test we wanted to check whether the difference in means between the expected and actual accounting information is statistically significant. We obtained the expected information by conducting a survey with a survey questionnaire containing a 4-point Likert type scale, in which value 1 represents the answer »I strongly disagree«, and value 4 represents the answer »I strongly agree«. We decided to use the evaluation scale with an even number of answers in order to avoid getting neutral answers. We obtained the actual information from the evaluation of websites (n=110), presented in chapter 4.1. For comparison purposes we coded values 3 and 4 from the survey questionnaire into value 1, and we coded values 2 and 1 from the survey questionnaire into value 0, in order to obtain the same evaluation scale as was used for expected values. The descriptive statistics of both samples are shown in Table 6.

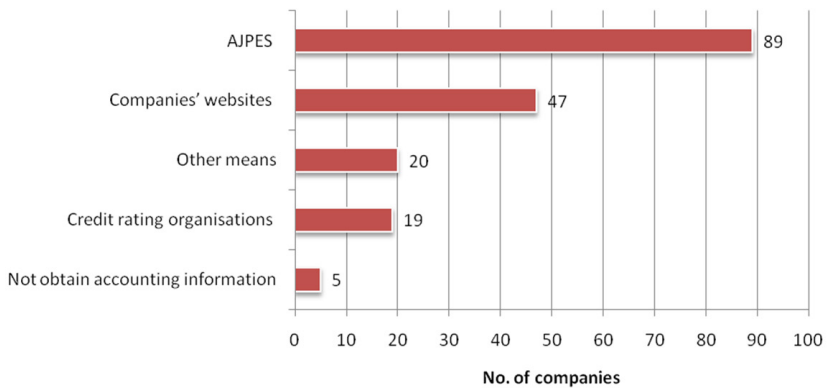

Figure 1: Sources of accounting information

Table 4: Descriptive statistics of the surveyed users' perceptions on the characteristics of accounting information

	N	Mean		SD
		M	Standard error *(se)*	
Accounting information is reliable.	127	3.78	0.069	0.776
Accounting information is credible.	127	3.75	0.074	0.835
Accounting information is useful.	127	4.17	0.062	0.703
Accounting information is sufficient.	127	3.54	0.079	0.889

Table 5: Descriptive statistics of the surveyed users' perceptions on the characteristics of accounting information

Statement	Interval estimation
Accounting information is reliable.	$P(3,65 < \bar{y} < 3,92 = 0,95$
Accounting information is credible.	$P(3,60 < \bar{y} < 3,90 = 0,95$
Accounting information is useful.	$P(4,04 < \bar{y} < 4,29 = 0,95$
Accounting information is sufficient.	$P(3,39 < \bar{y} < 3,69 = 0,95$

Table 6: Descriptive statistics of expected and actual accounting information

	Group	N	Mean	SD	Std. Error Mean
Annual Report	expected	127	0.88	0.32	0.03
	actual	110	0.98	0.09	0.01
Balance Sheet	expected	127	0.84	0.37	0.03
	actual	110	0.99	0.10	0.01
Profit and Loss Account	expected	127	0.87	0.34	0.03
	actual	110	0.99	0.10	0.01
Accounting explanations and policies	expected	127	0.76	0.43	0.04
	actual	110	0.89	0.30	0.03
Auditor's Report	expected	127	0.80	0.40	0.04
	actual	110	0.95	0.23	0.02
Annual Reports in a foreign language	expected	127	0.49	0.50	0.04
	actual	110	0.63	0.49	0.05
Interim Reports	expected	127	0.74	0.44	0.04
	actual	110	0.29	0.46	0.04
Accounting ratios with explanations	expected	127	0.81	0.39	0.03
	actual	110	0.47	0.36	0.03
Reports on Financial Management	expected	127	0.87	0.33	0.03
	actual	110	0.25	0.44	0.04
Reports on Risks	expected	127	0.82	0.39	0.03
	actual	110	0.81	0.39	0.04
Reports on Sustainable Development	expected	127	0.69	0.46	0.04
	actual	110	0.66	0.47	0.05
Reports on Corporative Governance	expected	127	0.65	0.48	0.04
	actual	110	0.44	0.50	0.05
Trends in shares and dividends	expected	127	0.67	0.47	0.04
	actual	110	0.19	0.35	0.03
Cash Flow Statement	expected	127	0.80	0.41	0.04
	actual	110	0.95	0.21	0.02
Annual Report for previous years	expected	127	0.84	0.37	0.03
	actual	110	0.60	0.49	0.05

The means for the actual and expected accounting information are shown in Figure 2. The left side shows the information where users' expectations were greater than the actual situation, and the right side shows the information where the actual information was greater than users' expectations.

Firstly, we used a Levene's test to assess the equality of variances and conducted a t-test for two independent samples. We used this test to compare the two proportions. Namely, when encoding, we used binary variables (0,1) by which their averaged value is equal to a percentage (Gonzales 2009). The first proportion presents the expected accounting information while the second presents the actual accounting information. We wanted to determine whether the difference between two proportions is statistically significant or just a sampling error.

The results of the t-test from Table 7 prove that a statistically significant difference between the expected and actual accounting information on websites is present in the following thirteen pieces of information: In the publication of a Balance Sheet (t=-4.135, p=0.000), in the publication of a Cash Flow Statement (t=-3.716, p=0.000), in the publication of a Profit and Loss Account (t=-3.704, p=0.000), in an Auditor's Report (t=-3.300, p=0.001), in accounting explanations and policies (t=-2.620, p= 0.009), in the publication of an Annual Report (t=-2.510, p=0.013), in an Annual Report in a foreign language (t=-2.160, p=0.032), in reports on financial management (t=12.349, p=0.000), in trends in shares and dividends (t=8.729, p=000), in the publication of interim reports (p=7.683, p=0.000), in accounting ratios with explanations (t=7.005, p=0.000), in the Annual Report for previous years (t=4.340, p=0.000), and in Reports on Corporate Governance (t=3.422, p=0.001). With the last six pieces of information, the users' expectations are higher than the actual situation regarding the reports. With the first seven pieces of information the situation is just the opposite: The actual accounting information on websites are presented better than expected by the users.

A statistically insignificant difference at 5% significance level was only present with two pieces of accounting information: In reports on risks (t=0.193, p=0.847) and in reports on sustainable development (t=0.479, p=0.632). In these two cases the users' expectations do not differ significantly from the actual information disclosed on websites.

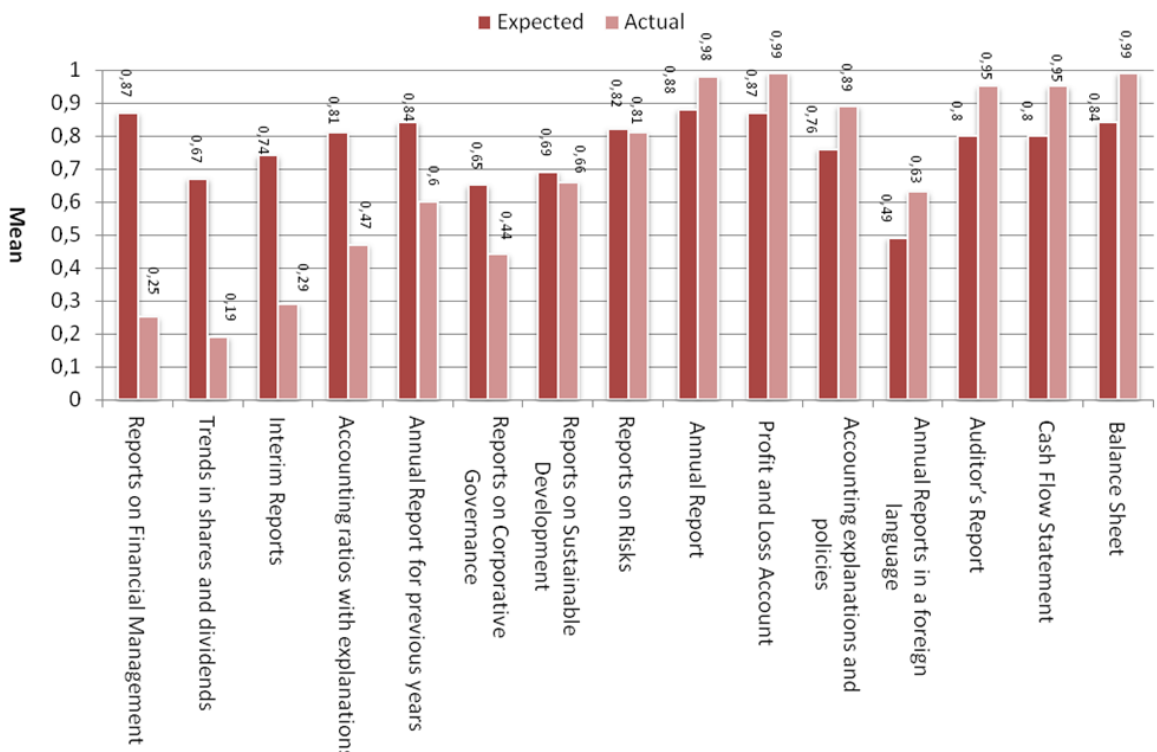

Figure 2: The mean of expected and actual accounting information

Table 7: T-test to determine the differences between the means

	t-test for Equality of Means						
	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Annual Report	-2,510	235	,013	-,08629	,03437	-,15401	-,01857
Balance Sheet	-4.135	235	.000	-.14839	.03589	-.21909	-.07769
Profit and Loss Account	-3.704	235	.000	-.12477	.03368	-.19113	-.05841
Accounting explanations and policies	-2.620	235	.009	-.12713	.04852	-.22271	-.03155
Publication of Auditor's Report	-3.300	235	.001	-.14230	.04312	-.22725	-.05736
Annual Reports in a foreign language	-2.160	235	.032	-.13908	.06440	-.26596	-.01221
Interim Reports	7.683	227.6	.000	.44925	.05847	.33403	.56446
Accounting ratios with explanations	7.005	234.2	.000	.34284	.04894	.24641	.43927
Reports on Financial Management	12.349	235	.000	.61947	.05016	.52064	.71830
Reports on Risks	.193	228.7	.847	.00981	.05093	-.09055	.11016
Reports on Sustainable Development	.479	228.4	.632	.02928	.06113	-.09117	.14972
Reports on Corporative Governance	3.422	235	.001	.21718	.06347	.09213	.34223
Trends in shares and dividends	8.729	235	.000	.47838	.05480	.37042	.58635
Cash Flow Statement	-3.716	235	.000	-.15927	.04286	-.24372	-.07482
Annual Report for previous years	4.340	235	.000	.24252	.05588	.13243	.35260

The hypothesis can be confirmed, partially, with a 95% probability, meaning that there is no statistically significant difference between the expected accounting information expected by users and the actual accounting information disclosed on companies' websites in the case of reporting on financial risk and sustainable development. With all other information, we notice a statistically significant difference manifested on the one hand with a positive and on the other hand with a negative deviation in the actual and expected accounting information. These deviations are presented graphically in Figure 2.

We also wanted to determine whether there exist differences in the expectations regarding the importance of the individual accounting information between Accountants and Financial Managers on one side and the sales specialists and other profiles on the other side. By performing a t-test for two independent samples we have determined that the statistically significant differences show themselves in the accounting explanations and policies (t=2.882, p=0.026), in the publication of the Auditor's Report (t=2.098, p=0.040) and in the publication of accounting ratios (t=2.472, p=0.015). In all three cases, the Accountants and Financial Managers have evaluated these contents higher than the sales specialists and other employee profiles.

5.3.4 Testing the H4

The theoretical bases for the testing of this hypothesis have been presented in the agency theory and the corporative governance theory. In accordance with these two theories it is considered that stricter provisions regarding the publicity of publication of information on the operation of companies whose securities are quoted on the stock exchange (listed companies) are applicable. Therefore, a higher IFR indicator (a form as by the companies whose securities are not quoted on the stock exchange – private companies) can be expected for these companies. The hypothesis has been tested with a t-test for two independent samples. It has been determined that there exist a statistically significant difference between both groups of companies (t=-6.442, p=0.000). The table 8 shows that the average value of the IFR indicator for the »listed companies« is 23.79 (SD=5.49) and 16.56 (SD=4.68) for the »private companies«.

Table 8: Descriptive statistics of indicator IFR-content for listed companies and other companies

	N	Mean	SD	Std. Error Mean
Listed companies	69	17,08	4,739	,570
Private companies	24	23,79	5,492	1,121

6 Discussion

The results of the research show that the Internet financial reporting is important both in the light of the companies that publish information, as well as the users who use the information. Out of a total of 209 large companies included in the research, 110 of them (52.6%) publish their accounting information on their websites. The research has also confirmed that the users use the so published accounting information frequently and that they consider them to be useful, sufficient, credible and real.

The results of this research can offer companies a feedback on users' expectations, particularly in cases where these expectations are greater than the actual situation, meaning that the users expect more or different information than those offered by companies on their websites. This is particularly evident in the Reports on financial management. In the future, companies could improve these Reports in a manner that would enable a more transparent publication of financial status information, amounts and maturity of loans, financial stability and liquidity, and could also disclose rating reports. Due to the incertitude of investors resulting from numerous collapses of companies, particular attention must be paid to the information that indicates the financial status of a company. Users might also expect more information on trends in shares and dividends. Companies can provide this information by creating interactive websites with a link to the Ljubljana Stock Exchange and, in this manner, enable daily updating of this information. Users also want more frequent publications of Annual Reports, not merely once a year, and companies could make good use of this by publishing interim Reports. Companies could pay more attention to the presentation of financial ratios and their explanations, which are particularly important for users who are not experts in the field of accounting. Users would also like to have access to the archive of Annual Reports.

Other accounting information, such as publication of the Annual Report, Auditor's Report, accounting statements and their explanations and policies and publication of an Annual Report in a foreign language exceed users' expectations. Companies should continue to publish this information to the extent they were published so far, and update them in terms of content and form consistent with the possibilities and opportunities offered by the accounting profession on one hand and world wide web on the other.

7 Conclusion

The fast development of online technologies has an important effect on accounting reports as a growing number of companies publish various accounting and non-accounting information on their websites, intended mostly for their investors, but also for other users. Internet financial reporting provides numerous advantages for companies and for the users, demonstrated in their wide accessibility, low costs, regular updating of information, various forms of presentation and numerous other advantages offered by the world wide web. Consequently, these types of reports are becoming increasingly more important. We have determined this result with our research conducted among companies and among users. In the research we found that 52.6% of companies publish their accounting information on their websites and that on average 40.2% of users actually make use of this information. In order of significance this represents the second place, as users give priority to the information published by AJPES (the Agency of the Republic of Slovenia for Public Legal Records and Services), comprised of officially published information as required by national legislation.

In the continuation of the research, we focused mainly on the perceptions of the users of online accounting information regarding their reliability, credibility, usefulness and sufficiency. The results show that the respondents evaluated the usefulness of accounting information with the highest grade, followed by reliability, credibility and, finally, sufficiency. In order to shed more light on the sufficiency component, we also looked at users' perceptions regarding the individual contents of accounting information. We found out that users mostly want contents that help them assess the financial status of a company: for instance, Annual Report, Profit and Loss Account, Balance Sheet, rating reports, and reports on financial management. As less important, they evaluated Reports on Sustainable Development, Reports on Corporate Governance, accounting information in a foreign language and information on trends in shares and dividends.

Considering that we have also evaluated companies' websites, where accounting information is published, we wanted to determine to what extent the users' expectations are consistent with the actual information published on websites. We have found the greatest discrepancy between the expected and provided information in the reports on financial management, trends in shares and dividends, interim reports and presentation of financial ratios and their explanations. These are the areas in which companies could improve their reports in the future.

In the future, Internet financial reporting will continue to present numerous opportunities and challenges for companies as regards the contents and the manner of its presentation, as well. Considering there are currently no rules or standards on Internet reports, it is recommended that companies disclose true, reliable, impartial and useful information on their websites. In this manner, they will be able to satisfy the interests of various users and build greater trust in Internet financial reporting.

As this research represents only a narrow segment of the field of the Internet financial reporting, there are a number of opportunities for a more thorough analysis of this field in the further researches. The users' sample refers only to the users in companies (incorporated users) and has not been expanded to other groups of users. The possibility for further researches presents also the comparison of users' point of views of various groups: Revisers, Analysts, Bankers, investment funds and likewise.

The main constraint of this research can be seen in the fact that we assessed the users' views on the Internet financial reporting content, but not their views regarding the form or method of their presentation. These views could also

include the possibility of transfer, copying, printing and virtual browsing through the Annual Reports, their presentation on mobile applications (smart phones and tablet PCs), multimedia methods of presentation, graphical displays and so on. The analysis of websites was reduced to only the large-sized companies, therefore there exists an opportunity of expanding our sample to a medium-sized and small companies in our further researches.

The third constraint was also the small response rate, which is the general problem of all online surveys. The survey method could therefore be supplemented with the method of in-depth interviews by which we could get a more thorough and in-depth information from the users. The possibility for further researches shows itself also in the searching of factors that could explain why there are differences among the companies regarding the scope, content and presentation of the Internet accounting information.

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Pričakovanja uporabnikov glede spletnega računovodskega poročanja

Ozadje in namen: S to raziskavo smo želeli ugotoviti kako pogosto se uporabniki poslužujejo spletnih strani za pridobivanje računovodskih informacij ter preučiti njihova stališča glede zanesljivosti, verodostojnosti, koristnosti in zadostnosti teh informacij. Hkrati pa smo želeli ugotoviti ali so ta pričakovanja skladna z dejanskim stanjem.
Metodologija/pristop: Raziskava je razdeljena na dva dela: v prvem smo proučili dejansko stanje glede spletnega računovodskega poročanja na primeru velikih slovenskih podjetji (n=110). V drugem delu pa smo z anketiranjem ugotavljali stališča uporabnikov (n=127) spletnega računovodskega poročanja. Ta pričakovanja uporabnikov smo nato primerjali z dejanskim stanjem in ugotavljali na katerih področjih prihaja do največjih razhajanj.
Rezultati: V raziskavi smo ugotovili, da 52,6 % podjetji na svoji spletni stani objavlja računovodske informacije in da se 40,2 % uporabnikov poslužuje teh informacij. Rezultati kažejo, da so anketiranci v povprečju najvišje ocenili koristnost računovodskih informacij, sledi zanesljivost, verodostojnost, najnižje pa so ocenili zadostnost.
Zaključek: Rezultati te raziskave lahko nudijo povratno informacijo podjetjem glede pričakovanj uporabnikov in to še posebej v primeru, ko so njihova pričakovanja večja od dejanskega stanja. V raziskavi smo ugotovili, da do teh razhajanj prihaja predvsem pri poročanju o finančnem stanju podjetja, saj uporabniki na spletnih straneh pogosto iščejo te informacije, vendar jih ne dobijo v zadostni meri.

Ključne besede: spletno računovodsko poročanje, pričakovanja uporabnikov, kazalnik IFR, računovodske informacije