A Study of the Integrity of Internet Financial Reporting: Empirical Evidence of Emerging Economy

Mahdi Salehi (Corresponding author)
Assistant Professor of Accounting Department, Ferdowsi University of Mashhad, Iran, Tel. +989121425323, Email: Mahdi_salehi54@yahoo.com
Mehdi Moradi
Assistant Professor of Accounting Department, Ferdowsi University of Mashhad, Iran, Email: mhi_moradi@yahoo.com
Arash Ariyan Pour
Faculty of Economics and Administrative Sciences, Ferdowsi University of Mashhad, Iran

Abstract- Dramatic development in presenting internet information is attributed to this fact that companies can put more information at their websites by spending least expenses, and internet enables them to access to different users and scattered information. Although companies may have websites, the kind of information presented on the internet is different. In this study, descriptive research investigates the quality and manner of internet financial reporting. The main purpose of this study is to conduct an investigation of the integrity of internet financial reporting of the corporations listed in Tehran Stock Exchange. To do this, a check list of 34 attributes was prepared; after referring to companies’ websites, this check list was completed. Findings indicate that the companies investigated in this research are weak in presenting financial statements at the website of their corporations, compared to the similar researches in other countries. Also, the archive of financial statements of the companies exists in Tehran stock exchange is incomplete on the companies’ websites, and in many cases companies are lacking in that.

Keywords- Internet financial reporting, Portable document format, and Hypertext markup language.

I INTRODUCTION

During last year’s, internet has provided new situations to different print information, including financial statements and annual reports (Xiao, Jones, and Lymer, 2005). Since internet is able to uniform other information and communication technologies, so it’s convergence with data base technology, can create many opportunities to improve reporting. Making the browser technology – that makes more access to the internet – has led to increasing the dissemination of big companies’ reports at their websites. Internet Financial Reporting (IFR) describes one of the other existing printed information distribution channels and provides complementary and extended information, which are not economically worth of printing (Smith and Pierce, 2005).

IFR points to the use of corporations’ websites to print information related to their financial function. When corporations use IFR, there is a comprehensive set of financial statements (including notes and auditor’s report) at their websites, and a link has been created to their annual report in everywhere of the internet. The content of IFR can include annual reports, quarterly reports, press releases (to print in newspaper), share price information, analysis reports and management discussions of operations (Poon and Tak Yu, 2003). In general, corporations that use IFR, their annual report is together with and authors’ report. In addition, most countries use the form of portable document format (PDF) to print reports (Ashbaugh, Johnstone and Warfield, 1999), also acquired experimental information show that, corporations which use IFR, are generally larger and more profitable than other corporations (Pervan, 2005), this from of reporting can be presented through video or audio files, too (Kelton, 2006).

Features and Advantages of IFR

Today’s, many corporations regardless of their size, put the information at internet websites and in access of the public. At those sites by linking from one site to others, people may in few seconds’ access to very much information. Developed methods of information presentation consist of using audio, video and graph, (FASB, 2000) among the motivation on which, corporations present their financial information, we can refer to decreasing time and expense of printing information, (Lymer and Tallberg, 1997; Louwers, Pasewark and Typpo, 2000; Haasbroek, 2003; and Khadaroo, 2005) accessing to up-to-date information (Rhein, 2000), contact with unfamiliar customers and information background (Lymer, 1996; Gaved, 1997) completing traditional disclosure methods, increasing the amount and kind of disclose information, improving the access to potential investors, existence of hyperlinks to other information, increasing the investors exchanges, improving the manner of presenting corporations function, forthcoming prospect and corporations value, ability of downloading and manipulation of data, increasing international addressees and possibility of global marketing, (Conosco, 1999) and possibility of dynamic information up to dating (Haasbroek, 2003). It cause access to potential investors in all some companies encountered to increase information exchanges.
to improve how the investment performance of future corporations downloading and manipulation of data and available interested international marketing to global (Russell, 2000; and Xiao, Jones, and Lymer, 2002) and available up-to- date dynamic cited (Lymer, 1997). O’kelly (2000) expresses some features of this, like:

i. Access: accounting information users have unlimited and clear access to financial information.

ii. Immediacy: accounting information users are on time in searching information, and this is possible through IFR.

iii. Richness: users are searching for full content video and media on world web.

iv. Connectivity: users ask for accessing to accounting information regardless of geographical places.

v. Interactivity: information users want to use accounting model for their personal interests.

vi. Beattie (1999) regarding immediacy indicates that from ancient times, external reporting had periodic nature and because of lacking the on time feature, has always been criticized, while internet connection can provide the possibility of immediate reporting.

II REVIEW OF RELATED LITERATURE

IFR is a new technology that has been introduced in financial reporting domain. Researches related to corporations’ reporting based on internet were begun in 1996 and 1997 (Allam and Lymer, 2003). Earlier investigations indicate that first put their financial information on the internet, among these investigations can be referred to the researches of Petravick and Gillett (1996); Lymer, (1997); Louwers et al, (1996); Debreceny and Gray (1997). Louwers et al, (1996) investigated 150 companies in the United States. They concluded that, 97 companies investigated had websites, but only 35 companies showed all information (complete annual report) at websites and 42 companies’ although having website, did not present information at websites. Following these investigations, some of the next researches extended these exploratory researches through investigating other geographical domains or through developing the breadth of examined features to broaden the standards and criterions considered in earlier researches. Among those, it can be referred to Gowthorpe and Amat (1999), Hedlin (1999), Pirchegger and Wagenhofer (1999), Ashbaugh et al, (1999), Oyelere et al, (2000), and Ettredge at al, (2001). For example, in Austria a research was directed by Pirchegger and Wagenhofer (1999) about using the internet to present final information, then they analysis these results and compared them with their corresponding corporations in Germany. They expressed that, on average, the level of internet use in both countries is the same.

Recent investigations by Canadian institute of chartered accountants (CICA) and Financial Accounting Standards Board (FASB) developed this way by considering other aspects like the form of moving annual reports in internet and access ability. For example, CICA was responsible for doing a research in North America to reach an insight into the amount of using web for financial reporting. This research was done by Trites (1999). In this study, it was cleared that the level of using World Wide Web to present financial information is high, that is 69 per cent of these corporations have websites and 35 per cent, have some forms of presenting financial information at their websites. In this research kinds of profession reporting (financial and non-financial) were discussed about, and implications of electronic online reporting for accounting standards were referred to.

FASB (2000) conducted a study about variety of IFR, among the objects of this research design, which it can referred to listing the variety of IFR, considering the current and forthcoming needs of users of disseminated electronic information, and summarizing the existing noticeable web-based information. This board prepared a checklist of attributes related to investment, financial reporting, audition and other attributes.

Results showed that 99 companies had websites. In recent years, the form and certain features of corporations’ internet reporting and certain features of corporations’ internet reporting and their impact on institutes and users reporting, are discussed about. Among these we can refer to research by Ettredge et al, (2001). In the research by Debreceny and Gray (1999) about 45 big corporations investigated in England, France, and Germany, 36 corporations presented their annual statements in the form of portable document format or hypertext markup language, the committee of international accounting standards conducted a study by direction of Lymer et al, (1999). This research was investigated in 42 different countries, through investigating, it was cleared that 86 percent out of 660 companies investigated had websites. Marston and Polei (2004) directed a study which in this research a checklist was used to evaluate corporations’ websites. This check list was based on Pirchegger and Wagenhofer (1999) checklist items existing in Marston and Polei (2004) were generally 53 cases, and 18 other cases were added too. Another study was done by Allam and Lymer (2003) about very big corporations in 5 countries of the world, including America, England, Canada, Australia, and Hong Kong. They investigated sample included 50 big corporations of each country, in general consisted of 250 corporations. The checklist used in this research to evaluate integrity of IFR is based on research by financial accounting standards board and committee of International Accounting Standard (IAS). Results indicate that all American, English, Canadian, Australian corporations have websites; however, in Hong Kong corporations do not have websites.

Researchers stated that, there was no meaningful difference between IFR methods used in American and English corporations. They also stated that the level of IFR in America, England, and Canada is better than other countries. Also in this research, the relation between size of corporations and amount of internet reporting was investigated. Except Australia, in 4 other countries, no meaningful relation was found.
Allam and Lymer (2003) after investigating the size of corporations, level of reporting methods and difference between reporting methods of big corporations listed in different countries, concluded that reporting methods is different in countries of different domains. In the same sense, Khadaroo (2005) also concluded that reporting methods is different in Singapore and Malaysia. Khadaroo (2005) stated that although there was increase in number of corporations and kinds of information provided in the internet. The quality of information reported in the internet is low for users, because auditors have little control on the content of web and changes resulted from audited information Malarvizhi and Yadav (2008) conducted an empirical study in India. Results show that Indian corporations use different methods for IFR. This sample include 24 the best corporations of India that consists of 16 industrial corporations and nonindustrial corporations. They concluded that corporations at chemical and pharmaceutical industries have better environmental reporting than other corporations. Dutta and Bose (2007) conducted a study in Bangladesh. They directed the research on 268 companies in Dhaka Stock Exchange and Chittagong Stock Exchange. Purpose of their research was investigating the access ability of the corporations’ websites in Bangladesh Stock Exchange and presenting a complete snapshot from the integrity of IFR of these corporations. Results showed that only 104 corporations (38.81%) had websites. Also 143 corporations had no websites, access to other websites (21 corporations) was impossible.

Researchers stated that only 64 corporations (61.54%) showed their financial information on their websites, also only 4 corporations (3.85%) presented their last financial year footnotes. Among other results we can refer to, corporations’ use of portable document format to present reports, most companies made use of this framework.

In short, IFR is a new and broad research topic, which develops day by day, and many factors like social, cultural, organizational factors can influence the acceptance of the IFR, nevertheless in Iran this reporting system has not still been publicized, but is discussed about as new topic.

III  RESEARCH METHODOLOGY

A. Preparing the checklist of IFR

Allam and Lymer (2003) in their study about IFR on 5 countries of the world made use of a checklist shows attributes were used in FASB or CIAS researches. Also in Germany, Marston and Polei (2004) made use of a check list, which was used in many researches to evaluate corporations’ websites. Based of their checklist is the same checklist prepared by Pirchegger and Wagenhofer (1999) and was used to investigation the integrity of financial information at corporations’ websites. Already, CICA (2008) have presented a check list on internet financial and commercial reporting domain. It is necessary to say that most of classifying these attributes is different in different researches. For example, the attribute of “current share price” in Allam and Lymer’s (2003) research is classified in general attributes, while in Marston and Polei (2004) research and CICA, this attribute is in “Timeliness of information” and “share information” classes respectively. In this study, attributes of said checklists were matched with Iranian situation and finally a checklist of 34 attributes was prepared.

i. The manner of gathering information to complete IFR checklist

In this research, we needed the websites of corporations listed in Tehran Stock Exchange (TSE) to complete the checklist prepared.

To finding out websites of corporations, some methods were used.

Regarding to the investigation done in www.iranbourse.com, corporations’ websites were listed. However, these websites were not complete and in some cases were wrong. Therefore, a list was received from TSE. In this received list, corporations’ websites were incomplete too, and included only 210 corporations’ websites, for every corporation’s websites acquired from www.Iranbourse.com and list were controlled to determine whether these websites are true or not. In some causes the websites were wrong; also information acquired from the website of this organization was in conflict with information received from office of this organization. Corporations that accessed to their websites were impossible “Internet explorer 7” and, Google searching engine were used. In this section some of the other corporations’ website was listed, finally for other corporations whose website added was not found so far phone call was made, then featured so said corporations were matched with the checklist.

ii. Items constituting the checklist and results of its completion

This section related to a checklist prepared on the basis of researches to determine the characteristics of IFR for every corporation in TSE. In investigation related to finding website of corporations listed in TSE, for 342 corporations (84.20%) were acquired websites and 64 remaining corporations (15.80%) had no websites. Among all corporations having websites, only the website of 303 corporations (74.60%) were accessible and out of remaining websites, and websites were in reconstruction (2%) and 31 websites (7.60%) were inaccessible with matching the attributes of checklists, finally the checklist of this research was classified in 6 sections:

A. General attributes;
B. Corporations overview;
C. Accounting and financial information;
D. Corporations governance information;
E. Timeliness of information; and
F. Contact details and other information.
A. General Attributes

First class of the checklist attributes in this research includes following cases:

1) Site Map: usually site Map shows more details of the site information. This map consists of hyperlinks. That user can directly crawl to a certain page or section of the website. Regarding to the investigation done in TSE 106 corporations (26.10%) had site maps.

2) Search Box: search box helps to identify the location of certain information, and users can reach to a certain term or clause by entering that regarding to the investigation done in TSE, 121 corporations (29.80%) had search box.

3) News summaries
Links to News summaries:
News summaries section on the websites, for instance, includes press release to print in newspaper and general news about the corporations. One of the reasons, corporations’ reflex links to the information in other resources of their website, is that, through which they guarantee the rightness, completeness and timeliness of the corporations’ information. Regarding to investigation done in TSE; 106 corporations (25.40%) had news summaries. Also 103 corporations (25.40%) had Links News summaries.

B. Corporations Overview

The second class of checklist includes the following attributes

1) Information related to corporations activities and objectives-This section includes general information about the corporations like corporations’ headquarters and corporations’ mission and objectives. Objectives discuss can include the summaries of corporations successes in the past, among other things we can refer to overview of the industry. Regarding to the investigation done in TSE, 242 corporations (59.60%) present information and goals of the corporations at websites.

2) Customer profile-among cases related to customer profile we can name details of important customers like their location. With relation to investigation done in TSE 10 corporations (2.50%) presented their customer profile information at the websites.

3) Employee profile- Among cases related to employee profile we can refer to the number, age, sex, and duties of employees in each section, with relation to investigation done in TSE 12 corporations (3%) presented their employee profile information at the websites.

4) Introduction or advertising the products and services of the corporations- Introduction or advertising products and services at the corporations’ website is a method corporations use to sell their products and introduce their services to others. With relation to investigation done in TSE 252, corporations (62.10%) introduced and advertised their products at corporations’ website.

C. Financial And Accounting Information

Third class of the checklist is a set of attributes which show the accessibility to financial and accounting information. This class includes following attributes

1) Audited balance sheet of last financial period: regarding to investigation done in TSE, 56 corporations (13.80%) have presented audited balance sheet of last financial period at their websites. Among these, 42 corporations (10.30%) have presented in form of portable document format, 11 corporations (2.70%) in form of video file.

It is essential to say that, to determine download ability of financial statements presented at the websites, financial statements of corporations presented, were downloaded.

The form of presenting financial statements is often through portable document format hypertext markup language and video files are other format.

In rare cases both Excel and Word files have been used. Later, statistics related to the presentation of financial statements will be provided.

2) Profit and loss statements of last financial period-Regarding to the investigation done in TSE, 54 corporations (13.30%) have presented audited profit and loss statements of last financial period at their websites. Among these 43 corporations (10.60%) have presented in form of portable document format, and corporations (2%) in form of hypertext markup language and 3 corporations (0.70%) in form of video file.

3) Audited cash flow statement of last financial period-Regarding to the investigation done in TSE, 42 corporations (10.30%) have presented audited cash flow statements of last financial period at their websites. Among these, 3 corporations (0.70%) have presented in form of hypertext markup language, 36 corporations (0.70%) in the form of video file.

4) Notes related to the audited financial statements of last financial period- Regarding to this matter, 38 corporations (9.40%) have presented the attached notes relates to audited financial statements of last financial period at their websites. Among these, 36 corporations (8.90%) have presented in form of portable document format, 2 corporations (0.5%) in form of hypertext markup language.

It is necessary to say that, the archive of corporations financial statements in uncompleted, and in many cases corporations are lacking in that. Result overview of financial archive for industries that put them on the website is presented in Table 1. Table 1 illustrates that none of the corporations have completely presented financial statement in year of 2007. Among other important cases, we can say
that the number of archives were low during different years. For example, 25 corporations (6.20%) have presented their financial statements of 2006 in form of portable document format, but only 17 corporations (4.20%) have disclosed the attached notes of that year in form of portable document format on the websites.

Table 1: results related to financial statements archive exiting at the websites of corporations listed in TSE.

<table>
<thead>
<tr>
<th>Name of industry</th>
<th>Total number of corporations having basic financial statements</th>
<th>Total number of corporations having attached notes with financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal extraction</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Metal extraction</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mass production of properties</td>
<td>1 p</td>
<td>1 p</td>
</tr>
<tr>
<td>banks, institutes and other organizations</td>
<td>2 P</td>
<td>2 P</td>
</tr>
<tr>
<td>automobile &amp; construction of segments</td>
<td>1 J</td>
<td>1J</td>
</tr>
<tr>
<td>Computer &amp; related activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>other products of nonmetal</td>
<td>2P</td>
<td>2P</td>
</tr>
<tr>
<td>other financial mediators</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial investments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>cement, lime, chalk</td>
<td>-</td>
<td>1P</td>
</tr>
<tr>
<td>Industrial multifold</td>
<td>-</td>
<td>1P</td>
</tr>
<tr>
<td>oil products, coke nuclear fuel</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>basic metals</td>
<td>1P</td>
<td>1P</td>
</tr>
<tr>
<td>sugar &amp; cube sugar</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tile and ceramic</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Machinery &amp; equipment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wooden products</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Chemical products</td>
<td>1P</td>
<td>1P</td>
</tr>
<tr>
<td>Food &amp; beverage products</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
It is necessary to say that among industries having complete archives of financial statement, “Tile and Ceramic” industry has the least amount of presentation, for example only one corporation of this industry had financial statements archive, and only for 2006.

5) Interim financial statements of 2008: regarding to the investigation done in TSE, 8 corporations (1.90%) have presented interim financial of 2008 at their websites. Among these, 7 corporations (1.70%) have presented in form of portable document, 1 corporation (0.20%) in form of excel.

i. Auditor’s report about financial statements of last financial period
ii. Auditor’s signature on audit report of last financial period.
iii. Legal inspector’s report about financial statements of last financial period.
iv. Legal inspector’s signature on inspector report related to financial statements of last financial period.

Auditor’s report is an important source of making annual reports credible and assuring, legal inspector expresses his idea of financial statements and of board’s activities report. Regarding to investigation done in TSE, 34 corporations (8.40%) have presented the auditor’s and legal inspector report at the website. Among these, 32 corporations (7.90%) have presented in form of portable document format, 2 corporations (0.5%) in form of video, for corporations presenting auditor’s report, auditor’s report and legal inspector report are in same report. In all cases, the signature of auditor and inspector has been scanned.

i. Overview of financial ratios related to last financial period. Regarding to investigation done in TSE, only 1 corporation (0.2%) has presented financial ratios of last financial period in summary at its website and the form of presentation was hypertext markup language.

ii. Link to www.iranbourse.com : Regarding to investigation done in TSE, 60 corporations (14.80%) are linked to www.iranbourse.com through their corporations’ websites. Only 23 corporations (5.70%) show the share prices of last year on their websites.

D. Corporations Governance Information

Items related to this class of checklist includes following cases:

Name and characteristics of members of board.
Name and characteristics of management.

Regarding to investigation done in TSE, 74 corporations (18.20%) present information of the board, like characteristics, manner of contact, background and in some cases the name of their representative, presented the information related to corporations management at their websites.

The board’s report of last characteristics of period. The signature of the board on board’s report of last characteristics of period.

With relation to investigation done in TSE, 26 corporations (6.40%) have put the board’s report at the website of corporations. In 24 corporations (5.90%) the form of presenting report is portable document format and in 2 corporations (0.5%) it is in form of hypertext markup language. It is necessary to say that, in 21 cases (5.10%), the signature of members of the board was seen on the report.

Results of annual general congress related to last characteristics of m period: the investigation done in TSE shows that 14 corporations (3.40%) have presented the results of annual general congress of last characteristics of m period at the website. In 8 corporations, the form of presenting these results is portable (0.2%).

Document format, for 5 corporations (1.20%) is in form of hypertext markup language and for one corporation (0.2%) is in form of “Word” file.

Prediction about corporations operations: in this section, some information has been presented about buying & selling, budget and each share’s profit related to forthcoming financial period. Regarding to the investigation done in TSE, the website of 40 corporations (9.80%) includes information related to corporations; forthcoming operations. It is noticeable that one corporation has presented the audited forth coming financial statements at the website.
E. Time Lines Of Information

This class of checklist includes the following cases:

1) Determination of last updating: regarding to this matter in TSE, 20 corporations (4.90%) show the updating of information at the corporations website.

2) Current share price or share price at last day of transaction regarding to investigation done in TSE, 32 corporations (7.90%) show the share price at that day. In some corporations that no transaction has done, the price of share have been considered base on last day of transaction.

3) Financial calendar: Among cases registered in financial calendar we can refer to date of annual congresses or results of forthcoming quarters. Regarding to in TSE, none of corporations have presented this attribute at their websites.

F. Contact Details And Information

Last class of the checklist includes following cases.

1) E-mail to contact
2) Fax and phone number

Corporations should present their contact information completely so that investors and beneficiaries could contact with the corporations and receive their essential information. Regarding to the investigation done in TSE, 262 corporations (64.50%) have presented e-mail of corporations at the website. Other necessary information for investors to make contact includes fax & phone number and postal address. Regarding to the investigation done in TSE, the website or 251 corporations (61.80%) includes fax & phone number, and website of 252 corporations (62.1%) present the corporations post address.

4) English version of website: since corporations can have different users in the countries, so it is better to present their website’s information in different languages.

Regarding to the study in TSE 246 corporations (60.60%) have English version for their website. Overview of results acquired from investigation the websites of corporations listed in TSE is shown in Table 2.

Table 2. Results of integrity of IFR of corporations listed in TSE

<table>
<thead>
<tr>
<th>Name of industry</th>
<th>All industries</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of corporations</td>
<td>406</td>
<td>100.00</td>
</tr>
<tr>
<td>Number of accessible websites</td>
<td>303</td>
<td>74.60</td>
</tr>
<tr>
<td>Number of corporation that don’t have websites</td>
<td>64</td>
<td>15.80</td>
</tr>
<tr>
<td>Number of the websites in reconstruction</td>
<td>8</td>
<td>2.00</td>
</tr>
<tr>
<td>Number of inaccessible websites</td>
<td>31</td>
<td>7.60</td>
</tr>
<tr>
<td>Total</td>
<td>406</td>
<td>100.00</td>
</tr>
<tr>
<td>Site map</td>
<td>106</td>
<td>26.10</td>
</tr>
<tr>
<td>Search box</td>
<td>121</td>
<td>29.80</td>
</tr>
<tr>
<td>News summaries</td>
<td>106</td>
<td>26.10</td>
</tr>
<tr>
<td>Links to news summaries</td>
<td>103</td>
<td>25.40</td>
</tr>
<tr>
<td>Information related to corporation’s activity</td>
<td>242</td>
<td>59.60</td>
</tr>
<tr>
<td>Customer profile</td>
<td>12</td>
<td>3.00</td>
</tr>
<tr>
<td>Introduction or advertising the corporations products</td>
<td>252</td>
<td>62.10</td>
</tr>
<tr>
<td>products ad services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audited balance sheet of last financial period</td>
<td>42 P+11 H+3 J</td>
<td>10.30 P+2.70H+0.7 J</td>
</tr>
<tr>
<td>Audited profit &amp; loss statements of last financial</td>
<td>43 P+8 H+3 J</td>
<td>10.60 P+20.00 H+0.7 J</td>
</tr>
<tr>
<td>period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audited cash flow statements of last financial</td>
<td>36 P+3 H+3 J</td>
<td>8.90 P+0.7 H+0.7 J</td>
</tr>
<tr>
<td>period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attached notes of last financial period (LFP)</td>
<td>36 P+2 H</td>
<td>8.90 P+0.5 H</td>
</tr>
<tr>
<td>Interim financial reporting</td>
<td>7 P+1 X</td>
<td>1.70 P+0.2 H</td>
</tr>
<tr>
<td>Auditor’s report of last financial period</td>
<td>32 P+2 J</td>
<td>7.90 P+0.5 J</td>
</tr>
<tr>
<td>Signature of auditor – report of (LFP)</td>
<td>34</td>
<td>8.40</td>
</tr>
<tr>
<td>Legal inspector’s report of (LFP)</td>
<td>32 P+2 J</td>
<td>7.90 P+0.5 J</td>
</tr>
<tr>
<td>Signature of legal inspector – report of (LFP)</td>
<td>34</td>
<td>8.40</td>
</tr>
<tr>
<td>Overview of financial ratios related to last period</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td>Links to <a href="http://www.iranbourse.com">www.iranbourse.com</a></td>
<td>60</td>
<td>14.80</td>
</tr>
</tbody>
</table>
corporations share price | 23 | 5.70
Name and arrangement of board of director | 74 | 18.20
Name and management’s information | 77 | 18.90
Letter / board report (LFP) | 24 P+2 H | 5.9 P+0.5 H
Signature on board’s report | 21 | 5.20
Results of general annual meeting of (LFP) | 8 P+5 H+1 W | 2 P+1.2 H+0.2 W
Prediction of analysts’ (buying/selling, operations/EPS/Budget) | 40 | 9.80
Determination of last updating | 20 | 4.90
Current share price | 32 | 7.90
Selling or weekly/monthly operations | 2 | 0.50
Financial calendar | 0 | 0.00
e-mail to contact | 262 | 64.50
Fax and phone number | 251 | 61.80
Post address of corporations | 252 | 62.10
English version of the page | 246 | 60.60

Notes: Notes; p =Portable Document Format; H=Hypertext Markup Language; W= Word; J=JPEG; and X= Excel

Table 2 showed that, among 406 corporations listed in TSE, the website of 303 corporations (74.60%) was accessible. It is noticeable that the amount of presenting financial statements at the corporations’ website is low. For example, the amount of balance sheet presentation, profit & loss statements, cash flow statements, notes attached to financial statements in the form of portable document format is 10.3, 10.6, 8.9 and 8.9 respectively. Of course the most attributes observed at corporations websites include e-mail, postal address of corporations, introduction or advertising corporations products & services and fax & phone number that are 64.50, 62.10, 62.10, 61.80 per cent respectively. Also the attribute corporations website are lacking in that, is financial calendar.

IV Comparing the Integrity of IFR in TSE with Similar Researches

In this section, the results of the study are compared with Allam and Lymer research (2003), Committee of International Accounting Standard (CIAS) (1999), Marston & polie (2004), and khadaroo (2005). Table 3 shows the summaries of this comparison. Table 3 shows that 84.20 per cent of corporations listed in TSE, have websites while all corporations investigated in America, Canada, Australia, and Germany have websites. It is interesting to note that amount of presenting financial statements and audit report at the websites of corporations of this study is low in comparison with similar researches (Except Australia related to research of CIAS, 1999).

<table>
<thead>
<tr>
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<tr>
<td>Existance of website</td>
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<td>100</td>
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<tr>
<td>site map</td>
<td>26.10</td>
<td>74</td>
<td>52</td>
<td>74</td>
<td>60</td>
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<tr>
<td>search box</td>
<td>29.80</td>
<td>86</td>
<td>82</td>
<td>66</td>
<td>64</td>
</tr>
<tr>
<td>News summaries</td>
<td>26.10</td>
<td>100</td>
<td>98</td>
<td>100</td>
<td>98</td>
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<tr>
<td>Links to news summaries</td>
<td>25.4</td>
<td>24</td>
<td>10</td>
<td>10</td>
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<tr>
<td>Information related to corporations’ activities</td>
<td>59.6</td>
<td>98</td>
<td>96</td>
<td>100</td>
<td>98</td>
</tr>
<tr>
<td>Customer profile</td>
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<td>6</td>
<td>4</td>
<td>0</td>
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<tr>
<td>employee profile</td>
<td>2.5</td>
<td>2</td>
<td>40</td>
<td>40</td>
<td>0</td>
</tr>
<tr>
<td>Introduction or advertising corporation products and services</td>
<td>62.1</td>
<td>Un</td>
<td>Un</td>
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<td>Un</td>
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<tr>
<td>Balance sheet</td>
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<td>98</td>
<td>100</td>
<td>100</td>
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<tr>
<td>Profit &amp; loss statements</td>
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<td>98</td>
<td>98</td>
<td>100</td>
<td>100</td>
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<tr>
<td>Cash flow</td>
<td>10.3</td>
<td>92</td>
<td>96</td>
<td>100</td>
<td>100</td>
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</table>
By matching the checklist complete in TSE with similar researches, it is clear that in Iran, there is weak in presentation some items like balance sheet, profit & loss statement, cash flow statements, and notes attached to financial statements compared to similar researches of other countries. Also the archive of corporations existing in TSE is in complete, and in many cases corporations are lacking in that. In other words, based on researches we can conclude that integrity of IFR in corporations listed in TSE is not good in comparison with other countries.

The limitations of the study as follows
1) Items of the checklist are limited in comparison with basic researches like, research of (FASB).
2) The websites of 39 corporations were inaccessible because websites of some corporations were in reconstruction and because of problems related to the disconnection of internet and servers this was very different.
VI  RECOMMENDATIONS

1) It is recommended that a standard should be determined by TSE organization to present IFR.
2) In order to IFR, some legal necessities should be determined by TSE to presenting information on the corporations’ websites.
3) Users should be informed of internet use advantages as a auditing & reporting tool, to improve IFR.
4) In educational schedule of management and accounting fields and other related fields, one course named accounting & IFR should be included.

VII  REFERENCES

3) Conosco (1999). A Relations-effective online investor relations, Available at: http://www.conosco.com