Assessing the Qualitative Characteristics of Useful Financial Information for Business Development

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Abstract
This study was designed to assess the qualitative characteristics of useful financial information for business development. The nature of the research design was exploratory survey for the purpose of exploring the requirements for dependable financial information and statement meant for users’ benefits because companies misunderstood and misapplied the guiding principles. Misleading financial information made room for poor decision making leading to collapse of businesses. The Conceptual and Theoretical Frameworks for Financial Information sets forth the concepts that underlined financial accounting and reporting. The population of the study was 230 of independent professional practitioners, independent non-professional practitioners, public sector employees and private employees. All the population was used for the study and the selection of the respondents was by the researcher administering questionnaires to the formations of the respondents. The source of data used for this study was primary and the instrument for the data collection was a self-administered questionnaire of open-ended questions. The instrument was validated by three senior lecturers in the departments of accounting and management making available to them all the questionnaires. The method of data presentation and analyses were by tabular and graphical presentations. Findings among others revealed that there were different understanding of Qualitative Characteristics and Useful Financial Information by different managers and users of financial information and investors. Also creditors were prone to compare information among companies for resource allocation decisions. In conclusion, accounting practices over time permitted valid comparisons among different reporting periods and it was a coherent system of interrelated objectives and fundamentals that prescribed the nature, function, and limitations of financial reporting. Recommendations were made based results found.

Keywords: Assessing, Qualitative, Financial, Information, Business, Development

Introduction
The fundamental principles guiding accounting are: cost, full disclosure, matching, revenue recognition principles, economic entity, monetary unit, time period, going concern assumption, materiality, and conservatism. The last two could be referred to as constraints. Most financial information users view the qualitative characteristics of useful financial
information in different ways and this could pose a problem to proper financial information reporting. According to International Public Sector Accounting Standards Board (IPSASB), (2010), the objective of the set Exposure Draft was to identify and explain the proposed role and authority of the Conceptual Framework, and the scope of financial reporting, identify and explain the proposed objectives of financial reporting and users of general purpose financial reports; qualitative characteristics of, and constraints on, information included in general purpose financial reports; and reporting entity concept and the basis for determining the composition of a group reporting entity. One way in which we determined whether financial information was relevant was by publishing an exposure draft seeking the views of investors, lenders and other creditors about whether the information proposed to be required made a difference to their decisions. Various businesses have encountered the challenges of useful financial information necessary for the development of their businesses. Accounting principles are the statements of financial accounting standards and the interpretations issued by various International Professional Bodies; The Financial Accounting Standards Board, International Financial Reporting Standard, its predecessors and industry practices. Hence any Financial Information that must make a difference and be useful for decision making should possess some qualities of relevance, faithful representation, reliability, consistency, timeliness, comparability, understanding, truth and fairness.

No matter how relevant financial information might be, if it does not faithfully represent the appropriate economic phenomenon, it is useless and of no meaning to the intended beneficiaries and of little value if it is not relevant. Different users require assistance in their economic decisions. Entities publish financial statements so that users could fulfil their information. The accounting principles, guidelines and characteristics involve degree of trade-offs, timely and precise presentation of financial statement. If the financial information was not accurate, true and fair then users might end up making wrong decisions which might affect a lot of people. For its usefulness, there are certain qualitative characteristics that are needed. Accounting principles and guidelines influence the preparations of: balance sheet, income statement, and the notes to the financial statements. Problems in understanding might arise due to user’s professional accountants’ incompetence. Information with proper explanation, need to be presented to aid understanding and exclude complex ones. Land and buildings are usually reported at cost minus the accumulated depreciation of the buildings. If these assets increase in value, the fair value is not reported due to the cost principle. Brand names and trademarks might not be reported on the balance sheet. Factors affecting its usefulness are: a) Fundamental qualitative characteristics: relevance and faithful representation; b) Enhancing qualitative characteristics: verifiability, comparability, timeliness and understanding; and c) Pervasive constraints; costs and materiality. The enhancing qualitative characteristics improve the usefulness of financial information and must be maximised to the extent possible. For it to be interoperable, it must meet the criteria for high quality and have the essential fundamental and enhancing qualitative characteristics that make it useful as stated by the International Accounting Standard Board (IASB) in the Conceptual Framework for Financial Reporting, last updated in 2010.

Qualitative in this study signifies distinctions based on quality or qualities and characteristics, on the other hand, mean a prominent attribute or aspect of something. Furthermore, Useful in this context means something that is of some value or benefit to someone. Financial information is a picture of a company’s financial health for a given period of time at a given point in time. The information provide a collection of data about a company’s financial health.
and business development, in this study comprises a number of tasks and processes generally aiming at developing and implementing growth opportunities within and between organizations. It is a subset of the fields of business, commerce and organizational theory and the creation of long-term value for an organization.

In a related development, Adriana (2014) said when an investor embarks on the career path of owning and operating a small business, he will soon discover that there are a number of steps involved in achieving success. According to him, one key component of starting a small business is creating a successful business plan. A business plan is a small business blueprint to creating a profitable business. The term "business development" traditionally denotes new business. Former entrepreneurs and small business owners are also good candidates for business development careers. Business development comprises a number of tasks and processes generally aiming at developing and implementing growth opportunities within and between organizations and is a subset of the fields of business, commerce and organizational theory and the creation of long-term value.

Statement of the Problem
Companies find it occasionally difficult to understand changes of accounting principles thereby affecting financial reporting negatively. Whenever professional accounting bodies like The Institute of Chartered Accountants of Nigeria (ICAN), Association of National Accountants of Nigeria (ANAN), International Financial Reporting Standard (IFRS), and many more bodies amen some accounting principles, it take most organisations a lot of time to know and adopt the changes in the preparation of financial statements. This has posed a great challenge to the quality of financial reporting. If current changes of financial information are not incorporated into current financial reports, it makes the report archaic. There is elimination of timeliness by the Revised Framework with costs as a pervasive constraint. The Revised Framework does not have timeliness which has made costs a constraint to the availability of credible financial information for the preparation of quality financial report. Timeliness is important for the preparation of quality financial reports given that accounting is prepared in consideration of times. There is the difficulty in understanding the difference between former Framework and the Revised Framework because of the most similarities in the content. If care is not appropriately taken by any reader of both frameworks, it will be difficult to decipher the differences. If that be the case, then it will affect the financial reports negatively. It is therefore very important to be able to spot the differences and understand what have been added to or eliminated from the initial framework.

Purpose of the Study
The specific purpose of this research is to assess the qualitative characteristics of useful financial information for business development. Specifically, this study tends:
1. To find solutions to why companies find it occasional difficult to understand changes of accounting principles.
2. To assess the elimination of timeliness by the Revised Framework with costs as a pervasive constraint.
3. To assess the difficulty in understanding the difference between former Framework and the Revised Framework.
Research Questions

1. Why do companies find it occasionally difficult to understand changes of accounting principles which make financial reporting negative?
2. What does the elimination of timeliness by the Revised Framework got to do with costs as a pervasive constraint?
3. Why is it difficult in understanding the difference between former Framework and the Revised?

Literature Review

At the 2009 Financial Accounting Standard Board (FASB) meeting, it was partly reviewed that the distinguishing factors between types of qualitative characteristics was not entirely new. FASB Concept Statement 2 on Qualitative Characteristics of Accounting Information described relevance and reliability as primary qualities and others as secondary. International Accounting Standard Board (IASB) listed four qualitative characteristics under Conceptual Framework; relevance, reliability, understanding, and comparability without distinctions, other literature acknowledged a hierarchy of qualitative characteristics. Example IAS 8 under Accounting Policies, Changes in Accounting Estimates and Errors, require an entity to provide information that was relevant and reliable without mentioning the other characteristics. Other proponents noted financial information as a tool to influence decision making. Comparability and understanding were related to the way information was presented. Understanding was the quality of information that enabled users to comprehend its meaning. To classify it as enhancing means that information that might be hard to understand should be presented and explained clearly. Timeliness and verifiability helped in choosing between different information that might be reported. Materiality could be a component of relevance rather than constant financial information.

Conceptual Frameworks

This covered the Revised Framework applicable to management and organisers adopting International Financial Reporting Standard (IFRS) and United States General Acceptable Accounting Principles (GAAP) general financial statements and reports from 1989 to 2014 as approved by the International Accounting Standard Committee (IASC) board. The Framework for July 1989 was published in April 2001 and adopted by IASB. In September 2010 there was a revisit for review of the Conceptual Framework for Financial reporting (the IFRS Framework) approved by the board. However, the final Framework was issued in October 2010. The IFRS described the basic concepts underlining the preparation and presentation of financial information for external users as a guide to the Board in developing future IFRSs and to resolve accounting issues that were not addressed directly in an International Accounting Standard/ International Financial Reporting Standard. In making that judgement, IAS 8.11 require management to consider definitions, recognition criteria, and measurement concepts for assets, liabilities, income and expenses in the IFRS Framework which was in the 2003 revisions to IAS 8. Furthermore, the International Public Sector Accounting Standards Board discussed the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (the Conceptual Framework) which established and made explicit the concepts that are to be applied in developing International Public Sector Accounting Standards (IPSASs) and other documents to provide guidance on information included in General Purpose Financial Reports (GPFs). More so, the IPSASs are set and developed to apply to different countries and jurisdictions with diverse political background, forms of government and different institutional and administrative arrangements.
for the delivery of services to constituents. Furthermore, IPSASB is poised to recognize the divergence of government activities in both in the areas of social and cultural traditions in consideration of service delivery mechanisms that exist in the many jurisdictions that may adopt IPSASs.

Also, IPSAS (2010) posited that the Exposure Draft (ED) dealt with concepts that applied to general purpose financial reporting (hereafter referred to as financial reporting) under the accrual basis of accounting where in the accrual basis of accounting, transactions and other events are recognized in financial statements when they occur (and not only when cash or its equivalent is received or paid), hence the transactions and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate. The conceptual framework for financial reporting jointly elaborated by the FASB and by the IASB contributes in addition to complete the definition of the users of financial statement information.

Theoretical Frameworks

It can be noticed that financial information are based on accounting principles and conventions considering how long the profession has been in existence. However, theories have emerged which further gave credence to the accounting profession and in this case the financial information which could either be positive and or normative. In brief discussion, the positive theories could be said to be the existing accounting practices of methods and behaviours while the other which is normative theories focused on the way accounting practices should be. The theories for this study are; the Positive Accounting Theory (PAT) and the Decision Information Usefulness Theory (DIUT). Justifications for the adoption of these theories are: they are motivated by the need and concern of the financial information and the owners and managers of businesses to try to influence the financial information and the need for its usefulness to the owners of these businesses.

Positive Accounting Theory: This theory was propounded by Watts and Zimmerman (1986) where they considered three hypotheses which explained that attitude and behaviour of managers using earnings management and the kind of earnings management companies usually use which are: the bonus plan hypothesis, the debt/equity hypothesis and political cost hypothesis. More so, the Positive Accounting Theory (PAT) could complement the Agency theory where both are based on the discrepancy between the interests of shareholders (but also other users of financial statements) and those of managers. Here outside users of accounting information always wish to have relevant, reliable, and comparable financial information with reliable true and fair view presentation position and performance of firms which is not often discussed by internal users of the financial statement information like managers. This theory predicts the attitude of the management of businesses by describing and explaining existing and observed issues which is the opposite of normative theories.

Decision Information Usefulness Theory: Of notice, is that, since the Positive Accounting Theory focuses on the existence of financial accounting, the Decision Information Usefulness Theory tries to develop a scientific and objective method to help standard setters in their work and choice of the best possible alternative of the measurement and the presentation of useful accounting information. This theory best suits the best accounting standards that provide the most helpful useful financial information to financial users for decision making. This theory of Decision Information Usefulness was established into the accounting theory in
1966 by an established committee of the American Accounting Association (AAA) with the responsibility of designing A Statement of Basic Accounting Theory (ASOBAT) with the committee’s most important criterion was the choosing of an accounting measurement’s method for decision useful for accounting information users. There was the evaluation of the decision usefulness by the predictive ability of the useful accounting information. The more accurate users can predict economic and financial events using accounting information, the more useful this information is for them. The idea was to find alternative that will be able to predict valuable events for financial information users with the smallest error margin (Beaver, 1968). More so, the committee did not define the different users of the accounting information which made things difficult.

**Empirical Review**

Harold Averkamp, CPA, MBA, brought accounting to life by combining theory with real-world examples with simple, clear and accurate explanations which allowed people without accounting backgrounds to master accounting concepts at low cost. Since 2003 the Accounting Coach team led by Harold Averkamp, CPA, MBA, had worked thousands of hours to provide world-class materials for learning accounting basics including financial information. Christopher and Christian (2015) posits that they used publicly available data to provide direct evidence about the role of the qualitative characteristics of financial information in managements’ accounting decisions where they based their work on 40,895 hand-collected IFRS (International Financial Reporting Standards) policy choices on 16 topics made by 514 large firms of 10 jurisdictions in the period 2005–2011, and identified 204 reasons for policy changes. The work included analyses of the circumstances under which firms explain their policy changes in terms of improved quality. Their study showed that the majority of organizations referred to qualitative characteristics from the conceptual framework of the standard-setter, in particular to relevance, faithful representation, comparability and understandability and that firm frequently referred to transparency, which is not directly mentioned in the framework. More so, that reference to qualitative characteristics is positively associated both with firm size and with a measure of a jurisdiction's transparency.

Patricia (2008) and the FASB completed their first phase of their joint project to develop a converged and improved conceptual framework because it is the basis on which standards were set. The framework was important to an investor’s understanding of the information provided in financial reports and be aware of what changes being made to the framework. As each phase was completed, the old text was removed and the new was added to the framework, which was now called the Conceptual Framework for Financial Reporting 2010/Framework 2010. The name change was the first thing of importance. The old framework was referred to financial statements while the new financial reporting. Financial statements are still the heart of financial reporting. The objective of financial reporting was the foundation of the Framework 2010 stating the objective of general purpose financial reporting by providing financial information for making decision and to The Framework 2010 observed that others, such as regulators, might find the information in financial reports useful, but financial reporting was not directed at them. Materiality was an entity-specific aspect of relevance in the Framework 2010, rather than a stand-alone concept. Information is material if omitting or misstating it could influence decisions based on it and complete if a user could understand the phenomenon being depicted. A faithful representation is complete, neutral and free from error. If two ways of depicting an economic phenomenon are
considered equally relevant and faithfully represented, we can make the choice between them by examining them to see which embodies more of the enhancing characteristics (comparability, verifiability, timeliness and understanding). Timeliness means that information is available to investors, lenders and other creditors in time to be used in their decision making processes. The enhancing qualitative characteristic of understanding means that information that might be difficult to understand is made more useful by presenting and explaining it as clearly as possible. Investors, lenders and other creditors were expected to actually study the reported information with reasonable diligence and to seek the aid of advisors to understand information that they find particularly complex. Some familiar terms such as reliability, substance over form, and prudence/conservatism were no longer mentioned in the Framework. The Framework 2010 used faithful representation in place of reliability because there was great confusion about what was meant by reliability in the old framework. Substance over form was removed because it was considered to be redundant. An exposure draft in March 2010 was issued defining the term reporting entity.

Susana and Jose (2010) posit that there had been considerable discussion of those features of IFRS that were likely to help improve financial reporting in the European Union with certain issues that might have a negative impact on the quality of information. However Susana and Jose (2010) focused on the effect of IFRS on earnings management with the main purpose of examining whether the adoption of IFRS in the European Union increased or decreased the scope for discretionary accounting practices by comparing discretionary accruals in the periods preceding and immediately after the regulatory change. Also their focus included determining which firms' features and country factors might explain the accounting discretion observed before and after IFRS. Their finding showed that earnings management intensified since the adoption of IFRS in Europe, as discretionary accruals had increased in the period following implementation. Suggestion from the results was that variations in earnings management might be due to some room for manipulation under international standards when compared with local standards.

Marzena (2013) in his journal presentation said, adding further details to financial statements and allowing the application of multiple variants made it difficult to use them in practice, particularly for users as private investors. That threat related to data comparability limitation and the resulting consequences had been pointed out as concerned factors. Yousef (2008) said several leading documents in relation to the objectives of financial statements which he mentioned as: The Trueblood Report, The Corporate Report, Making Corporate Reports Valuable; and Guidelines for Financial Reporting Standards which have a significant importance in financial reporting Edward (2008) on his paper, “The Accounting Cycle said: Objective of Financial Reporting and Qualitative Characteristics must be given proper attention. On May 29, 2008, an edited exposure draft was issued by the Financial Accounting Standards Board—“The Objective of Financial Reporting and Qualitative Characteristics and Constraints of Decision-Useful Financial Reporting. Schipper (2007) said, there was no more theory of required disclosures than there was a theory of true net income defining disclosures as information that had not, for a reason, met the criteria for recognition in the financial statements proper. Required disclosures were viewed as economy-level policy choices made by regulators and standard setters affecting multiple firms that differed in both economic circumstances and contracting arrangements parties with five purposes of disclosure: 1) Description: described recognized and unrecognized items; 2) Measurement: provided a useful measure of unrecognized items; 3) Alternative measurement: provided alternative measures of recognized items; 4) Assess risk and reward: provided information useful for
assessing risks and potentials of recognized and unrecognized items; 5) Interim solution: used required disclosures to provide information, temporarily, while other solutions were being studied.

In September 2010, the Framework of this study was reviewed and issued in October 2010 to International Financial Reporting Standard (IFRS) outlook with the aim of bringing out the best and develop the principle-based standard for an improved framework. It was based on the economic concepts rather than a collection of arbitrary convention meant to replace the initial International Accounting Standard Board (IASB) and Financial Accounting Standard Board (FASB) Frameworks to result to a common basis for both standard-setters thereby eliminating the risk of reaching different conclusions about similar identities. The main aim of the Revised Conceptual Framework was based on financial reporting with other areas of the Framework incorporated. The IASB and US FASB finalised phase A of their joint project to revise and converge the Revised Conceptual Framework for Financial Reporting encompassing: Chapter one: Objective of Financial Reporting; Chapter three: Qualitative Characteristics of Useful Financial Information, Chapter two: Reporting Entity issued as Exposure Draft in March 2010. Chapter four contained the remaining text of the existing Framework with the definition of elements recognition, de-recognition and measurement as its constituents. Assumption was included in the existing Framework that the information needs of investors meets the needs of the other stakeholders. The objectives in the revised Framework were not inconsistent with the financial stability and the objectives of financial reporting followed a different approach in identifying the users of the financial statement limiting these to investors, lenders, creditors. Revised Framework distinguished between two clear types of characteristics key in making information useful and reliable;

a) Fundamental qualitative characteristics with relevance and faithful representations and
b) Enhancing comparability, timeliness, verifiability and understanding. Fundamental characteristics made information relevant capable of making a difference for decision.

The Revised Framework adopted from the previous Framework the idea of materiality as an element of ‘relevance’.

Graphically, find below:

**Figure 1: The Flow of Qualitative Useful Information**

![Diagram showing the flow of qualitative useful information](#)

**Source: Researcher’s survey**
Figure 1 illustrates company recognising the characteristics with the understanding that there are eight components for acceptable decision.

a) **Relevance**: Is associated with information that is timely, useful, predictive value and make a difference to a decision maker. Example, in the decision to replace equipment that has been used for the past ten years, the original cost of the equipment does not have relevance. Relevance in the context of financial reporting means that the information must possess both predictive confirmatory values.

b) **Reliability**: Is achieved when information is verifiable, objective (not subjective) and depended upon. A piece of land original costing N30,000.00 (purchased 75 years ago) is considered to be more reliable, verifiable, and objective than showing it at its current market value of N320,000.00. Ten different financial accountants would wholly agree that the original cost of the land was N30,000.00, they could read the offer and acceptance for N30,000.00, see a transfer tax based on N30,000.00, and review documents that confirm the cost was N30,000.00. If the ten financial accountants were asked to give the land's current value, ten different estimates might be given because the current value amount is less reliable than the original cost.

c) **Comparability**: Investors, lenders, and other users expected that financial statements of companies could be compared with others in the same industry. The FASB required expenses related to research and development be expensed when incurred. Prior to its rule, some companies expensed R&D when incurred while others deferred R&D to the balance sheet and expensed at a later date.

d) **Consistency**: This permits valid comparisons between different periods and financial accountants expected to be consistent when applying accounting principles, procedures, and practices.

e) **Verifiability**: This implies a consensus among different measures for decision making. Example the historical cost of a piece of land to be reported in a company's balance sheet usually is highly verifiable. The cost could be traced to an exchange transaction, its purchase and fair value.

f) **Timeliness**: Is when financial information is available early enough for decision process. SEC requires its registrants to submit quarterly financial statement on annual basis.

g) **Understanding**: Information must be readily understandable to financial statements users, clearly presented, with supporting footnotes for clarification. Meaning users must understand the information within the context of the decision being made.

h) **Faithful representation**: This exists when there is agreement between a description and the phenomenon it purports. Example; that the word inventory in the balance sheet of a business man is understood by the external users to mean items that are intended for sale in the ordinary course of business.

If an example is given as: If Chief Paul, who wanted to start plumbing material business had his idea and prepared a business plan that documented the viability of the business and met with a lawyer to discuss the form of business and various requirements, permits and government identification numbers for the business registration with corporation considered the best with the name C. P Material Ltd. Chief Paul was a committed, honest, hard worker and a smart man that was successful but admitted not comfortable with accounting matters. He assumed he would use some accounting software, but preferred meeting with a professional financial accountant before making his selection and requested his banker to recommend one who was skilled in explaining accounting. Reason being to understand the financial information and be on top of his new business. His banker recommended Christlove, an accountant who had helped many
before now. At their first meeting, Chief Paul asked her for an overview of accounting, financial statements, and the need for accounting software. Based on Chief Paul's business plan, Christlove saw that there would likely be thousands of transactions each year. She stated that accounting software would allow for the electronic recording, storing, and retrieval of many transactions. It would permit Chief Paul to generate the financial statements and required reports to run his business. He seemed puzzled by the term transaction, so Christlove gave him five examples of transactions that C. P. Material Ltd. would need to record. He would start his business by investing his own personal money and buying shares of C. P. Materials Ltd’s common stock. The company would need to buy a sturdy, dependable delivery vehicle and begin earning fees, billing clients for delivering their parcels by collecting the fees that were earned and incur operational expenses such as salary for advertisement. With thousand transactions in a given year, he was smart to start using accounting software right from the beginning. By getting into the habit of entering all of the day's business transactions into his computer, Chief would be rewarded with fast and easy access to the specific information he would need for sound business decisions. Christlove told Chief Paul that accounting’s "transaction approach" was useful, reliable, and informative. She had worked with other small business owners who thought it was enough to simply "know" their company made N100,000.00 during the year. Those were the people who start off on the wrong foot and end up in Christlove's office looking for financial advice. If Chief Paul entered all transactions into his computer, good accounting software would allow him to print out his financial statements with ease.

Debreceny and Gray (2010) claimed that despite advances in technology, analysts and investors must spend more time on Internet-related mechanics because of the problems inherent in retrieving information from the Internet. Different accounting regimes by listed firms and each of the standards allowed for several choices in reporting basically the same economic issues. Due to the internationalization of the operations of companies and the globalization of capital markets, there was an on-going convergence between the US GAAP and IFRS, which had already led the US Securities and Exchange Commission (SEC) to accept IFRS financial statements of foreign firms listed in the USA without reconciliation with the US GAAP. In 2012, there was still a demand for financial information provided commercially by third-party intermediaries in the form of comprehensive financial databases, such as Amadeus and Thomson One. Debreceny and Gray (2001) said, there were problems with this type of financial information provision. Instead of providing theoretically sound asset valuations and net income calculations, financial statements had been given a twofold mission of providing decision useful information for investors and stewardship for assessing how the company's management had performed using the company resources entrusted to them.

Methodology
Here it was mainly exploratory research with primary data and graphical analyses. The population used for the study was 230 made up of independent professional practitioners, independent non-professional practitioners, public sector employees and private employees in Jos, Plateau State. All the population was used for the study and the selection of the respondents was by the researcher administering questionnaires to the respondents. Furthermore, the source of data for this study was primary and the instrument adopted for the collection of data was a self-administered questionnaire made up of open-ended questions meant for the respondents to make comments. Also the instrument was carefully and comprehensively verified and validated by three senior lecturers in the departments of
accounting and management. The method of data presentation and analyses were by tabular, graphical presentations and discussions.

**Figure 2: Responses from survey**

<table>
<thead>
<tr>
<th>Categories</th>
<th>Qualitative Characteristics Response</th>
<th>Useful Financial Information Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Professional Practitioners</td>
<td>34%</td>
<td>38%</td>
</tr>
<tr>
<td>Independent Non Professional Practitioners</td>
<td>23%</td>
<td>27%</td>
</tr>
<tr>
<td>Public Sector Employees</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>Private Sector Employees</td>
<td>36%</td>
<td>39%</td>
</tr>
</tbody>
</table>

**Figure 3: Graphical Representation of field responses**

**Discussion of Findings**

Figure 2 shows the tabular representation of the responses from the various respondents where the Independent Professional understood more of Useful Financial Information of 38% than Qualitative Characteristics of 34%. Also the Independent Non-Professionals understood
more of Useful Financial Information of 27% than Qualitative Characteristics of 23%. However, in a different response, the Public Sector Employees understood more of Qualitative Characteristics of 18% to 15% of Useful Financial Information. Nevertheless, the Private Sector Employees understood the Useful Financial Information of 39% than Qualitative Characteristics of 36%. Figure 3, however shows the graphical representation for better analyses and understanding of the findings from the study. All of these situations have either positive or negative effects to the operations of any organisation. This study showed that the basic objective of financial statements is concerned with understanding of the qualitative characteristics of useful information for economic decision making which expressed that information is useful when understood for economic reality of the financial statements - balance sheet, income statement and cash flow statement; relevant and reliable to users professionals, non-professionals, public and private sectors.

This finding and discussion are in line with Stefano, Mark, Beatriz., Joachim, Shahed and Thomas (2014) were they reviewed the academic literature on the use of financial reporting information by capital providers and classified their findings by investor type and by information objective. They stated that most capital providers use accounting information, financial reporting and that information intermediaries are influential in both credit and equity markets, making the identification of a typical target ‘user’ inherently difficult. Their major finding were findings question the underlying objective of the Conceptual Framework to guide the development of standards for general-purpose financial statements to provide a typical knowledgeable investor with a true and fair view about the reporting entity and identified gaps in the literature and suggest areas where future research can help inform important academic and policy debates. More so Kathryn, Lisa, and Jane (2012) where they said relevance and reliability (now referred to as “representational faithfulness”) are qualities of financial information that both the Financial Accounting Standards Board and the International Accounting Standards Board use in setting standards for financial reporting. Despite their importance, very little research has addressed how financial statement users apply these constructs. Via experiments set within the fair value context, we show that users do not view them as independent constructs. Instead, variations in properties that are associated with the reliability of a measurement influence users’ assessments of the relevance of fair value. Kathryn, Lisa, and Jane’s findings are important because inappropriate assessments of relevance can influence firm valuation and meaningful in the context of fair value.

Furthermore, this finding is in line with James, and Tamara, (2014) where they discussed recent changes in the audit and financial reporting environment resulting in longer audit report lags and increased the importance of identifying factors associated with a timely audit. They found out that office-specific industry expertise is negatively associated with audit delay while office size and client importance are both positively associated with audit delay; however, the most important clients are associated with a timelier audit. Their study provides further support for the importance of office-specific characteristics on audit and financial reporting outcomes and provides evidence of the benefit of office-specific industry expertise. Meaning, a lot needs to be done to train management and users of organisational information for decision making because in this finding no correlation of both variables which of course should have correlation.
Conclusion
In conclusion, reporting entity might not necessarily conclude that the revised chapter of the Framework result in immediate changes to their financial reporting. The various chapters provided more clarity and understanding about the underlying principles of financial reporting. They should be considered during the collection, processing, verification and dissemination of financial information. For dependable, it is important to retain faithful representation as a qualitative characteristic, separate verifiability from faithful representation, elevate it to an enhancing qualitative characteristic, and place it in logical order after of comparability.

Recommendations
a. Qualitative Characteristics and Useful Financial Information must correlate.
b. Each organisation must prepare financial information with clarity of understanding.
c. All the characteristics should be properly documented and accessible by all staff.
d. The management and users of organisational information must be trained to be able to correlate both variables qualitative characteristics and useful financial information to able to meet the target of any organisation.

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