

RESEARCH

The Impact of Cultural Dimensions of Hofstede's Model on the Credibility and Objectives of the Opinions of Supreme Audit Institutions: The Case of the Libyan Accounting Bureau

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ABSTRACT

OBJECTIVE: This paper aims to examine the impact of Hofstede's cultural dimensions (power distance, individualism versus collectivism, uncertainty avoidance, masculinity versus femininity, long-term versus short-term orientation, and indulgence versus restraint) on the credibility and objectivity of the opinions of Supreme Audit Institutions (SAIs) at the Libyan Accounting Bureau (LAB).

METHODOLOGY: A deductive approach was used to investigate how cultural dimensions (independent variables) influence the credibility and objectivity of the opinions issued by SAIs (dependent variable). A questionnaire, including scenarios based on Hofstede's six dimensions, was distributed to a sample of 202 auditors from the LAB across all of its branches in Libya.

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RESULTS: The findings indicated a statistical relationship between the cultural dimensions and the credibility and objectivity of the SAI Members' opinions. This demonstrates the influence of national culture on government auditing outcomes.

CONTRIBUTION: This study makes three significant contributions to the existing body of international auditing research. First, it provides additional evidence from a different context that either supports or challenges Hofstede's theory. Second, it addresses the gap in the literature on Governmental Auditing and Cultural Dimensions, an area that has received very little attention. Lastly, it focuses on the sixth dimension, Indulgence versus Restraint, which has been previously overlooked.

KEYWORDS: *Cultural Dimensions; Credibility and Objectivity of Opinion; Libyan Accounting Bureau; Hofstede's Model; Supreme Audit Institutions.*

INTRODUCTION AND BACKGROUND

Supreme Audit Institutions (SAIs) add value, strengthen public accountability, and act as guardians of public funds. They play a vital role in enhancing public efficiency and contribute to accountability and good governance, while also advocating for value-for-money management. In this role, they conduct financial, performance, and compliance audits. The primary objectives of SAIs include improving the legality, regularity, efficiency, effectiveness, and economy of financial management within the public sector (Mamić Sačer *et al.*, 2017; Dionisijev *et al.*, 2023).

They similarly have an important role in watching the progress of the Sustainable Development Goals (SDGs) outlined in the UN 2030 Agenda (INTOSA2024). Therefore, the focus of SAIs has shifted towards auditing the implementation of these SDGs. In this context, the International Organisation of Supreme Audit Institutions (INTOSAI) acts as a canopy association for SAIs worldwide, supporting its members by developing the INTOSAI Development Initiative (IDI) SDG Audit Model. This model aims to offer applied guidance for conducting audits on the implementation of exact goals (INTOSAI, 2024). By fulfilling these responsibilities, SAIs, as auditor, prepare annual activity reports that reflect institutional activities, support expenditure, and significantly impact various stakeholders (Mamić Sačer *et al.*, 2017; Dionisijev *et al.*, 2023; Simões *et al.*, 2024).

Given the increasing importance of reports issued by SAIs under complex environmental conditions, and considering that the opinion formulation process reflects the behaviour of its preparer, it is anticipated that the national cultural factors (D-6) proposed by Hofstede (1983, 2001) and Hofstede *et al.* (2010), including power inequality, individualism versus collectivism, uncertainty avoidance, masculinity versus femininity, long-term orientation versus short-term



orientation, and leniency versus self-control, will impact the content of the reports produced by these institutions. In this context, Da Silva *et al.* (2024, p.2) stated that:

“several studies indicate that agents’ behavior is influenced by the culture of the country in which they operate (Doupnik and Richter, 2004; Han *et al.*, 2010; Ugrin *et al.*, 2017), impacting the psychological factors linked to the decision-making process (Aren and Hamamci, 2023). Since auditors are also agents whose behaviour is sensitive to psychological factors (Bik and Hooghiemstra, 2017), cultural differences may affect the level of monitoring performed by auditors, even if they are branches of the same firm but located in different countries (and thus subject to different cultures)”.

However, studies addressing this effect have been limited (Abdelfattah *et al.*, 2021; Al-Khafaji and Wahhab, 2021; De Sousa, 2018; Kitiwong and Srijunpetch, 2019; Naslmosavi and Jahanzeb, 2017; Rustiarini *et al.*, 2021), and their findings have been criticised for their inconsistency. For instance, the study by Kitiwong and Srijunpetch (2019) found no effect of the masculinity versus femininity dimension on auditors’ disclosures regarding significant issues in Malaysia, Singapore, and Thailand. Similarly, the study by Rustiarini *et al.* (2021) concluded that the uncertainty avoidance dimension did not influence the reporting of financial fraud in the auditor’s report in Indonesia; this contradicts the findings of other studies.

The majority of these studies employed opinion questionnaires rather than scenario-based questionnaires, with the former focusing on subjective viewpoints rather than objective realities, potentially leading to bias and failing to effectively measure the impact; this is highlighted by Naslmosavi and Jahanzeb (2017) and Rustiarini *et al.* (2021). This underscores the necessity for further investigation into this relationship to provide additional evidence regarding the existence of any effects. Additionally, the study by Naslmosavi and Jahanzeb (2017) examined only three dimensions, power distance, individualism versus collectivism, and uncertainty avoidance, neglecting other significant dimensions. The study by Abdelfattah *et al.* (2021) focused exclusively on the masculinity versus femininity factor, while research conducted by Al-Khafaji and Wahhab (2021), despite considering all cultural factors, has been criticised for methodological flaws, particularly in its dual focus on the effects of cultural dimensions on reports and subsequently on the company’s value. In addition, their sample size was small and included academics who may not fully perceive the influence of culture on report content due to a lack of practical experience, rendering their opinions largely speculative and based on theoretical foundations alone (opinion questionnaire).

All of these studies concentrated on special audit reports and did not address the reports of supreme financial oversight bodies regarding accounting, with the exception of Al-Khafaji and Wahhab (2021); this presented a limited sample of opinions from auditors at the Federal Board of Financial Supervision in Iraq, restricting the examination to the impact of cultural dimensions on

special audit reports only. This amplifies the necessity for research into the influence of cultural dimensions on the reports of supreme financial and accounting oversight bodies, especially given the fundamental differences between private auditing and government auditing (Carslaw *et al.*, 2012; Eskandari *et al.*, 2023). For instance, Carslaw *et al.* (2012, pp.49-50) stated the following:

“Government financial reports differ significantly from private firm financial reports because of their focus, purpose and audience. Specifically, in addition to presenting citizens, legislative bodies, granting agencies, and potential and current investors with a picture of the entity’s financial health, governmental financial reports also ensure compliance with grant and other regulations. Thus, auditing government financial information requires a different set of skills than auditing private companies”.

Hay *et al.* (2021) indicated that there is a variance in the opinions of government auditors compared to those of private auditors, largely influenced by geographical location. Additionally, Ocak and Can (2019) found that government auditors tend to exhibit more aggressive behaviours compared to self-employed auditors and are notably slower in completing their assigned tasks. It was revealed that government auditors often struggle to accurately determine due values and have difficulty in detecting manipulations within earnings management; this may be attributed to their prolonged tenure in public service. In contrast, Branson *et al.* (2011) demonstrated that public sector auditors reported significantly higher compliance outcomes than those reported by private auditors for the same group of companies within the same country.

This study therefore aims to examine the impact of national cultural dimensions on the reports of SAIs and to provide new evidence from a different context (Libya), either supporting or rejecting the hypotheses of Hofstede’s Theory of Culture. Following this introduction, the paper is organised into five sections: Research Hypotheses and Model, Literature Review, Research Methodology, Hypotheses Tests and Research Results, and Research Conclusions.

RESEARCH HYPOTHESES AND MODEL

Hofstede’s model for studying the dimensions of national culture is regarded as one of the most influential frameworks providing an empirical analysis of these dimensions. In 1983, Hofstede initiated a comprehensive study to examine the national culture of various populations; this involved over 116,000 individuals from the International Business Machines Company across 72 countries. At that time, Hofstede’s model encompassed four dimensions of national culture: Power Distance, Individualism versus Collectivism, Uncertainty Avoidance, and Masculinity versus Femininity (Hofstede, 1983). In 2001, he introduced a fifth dimension: Long-Term Orientation versus Short-Term Orientation (Hofstede, 2001). By 2010, Hofstede and colleagues added a sixth dimension: Indulgence versus Restraint (Hofstede *et al.*, 2010).

However, to establish the hypotheses for the current research, the authors used the six Hofstede national culture dimension scores for Libya, which were obtained from the Hofstede *et al.* (2013) Values Survey Module (VSM 13) as referenced in AlMutairi *et al.* (2021). The decision to utilise AlMutairi's findings is based on the fact that it is the only study that disseminates and translates Hofstede's latest six dimensions of national culture survey, VSM 13, for seven Arab states, including Libya (AlMutairi and Yen, 2022). Twati's (2008) index of Libya was also used. Table 1 summarises the Scores on Libyan Cultural Dimensions according to these two studies.

Table 1: Scores on Libyan Cultural Dimensions

<i>Index</i>	<i>PDI</i>	<i>CVM</i>	<i>UAI</i>	<i>MAS</i>	<i>STO</i>	<i>RST</i>
Twati (2008)	High	High	High	High	Not Included	
AlMutairi <i>et al.</i> (2021)	Very High	High	High	Very High	High	Low *

Source: Constructed by authors

It is worth noting that the results concerning the dimension of indulgence versus restraint were reserved, indicating that Libya attained a high level of indulgence, contradicting Hofstede's assumptions. The study itself seemed to question this finding, as AlMutairi *et al.* (2021, p.14) stated that:

“Hofstede (2011) predicted that Muslim countries would fall within the restrained range, seeing as their faith would constrict them from gratifying what might be otherwise considered hedonistic pleasures. The Arab States all scored below the middle range which placed them as very restrained societies, validating Hofstede's claims, except for Libya (74)... However, it should be noted that the survey was disseminated to university students during Libya's transition from a dictator regime to a promised democratic and new nation. Therefore, it is hypothesised that Hofstede's index related items may have captured the optimism and elation that Libyans felt after the end of a long and hostile home regime. The ranking therefore becomes comprehensible, especially considering that the respondents were young students, optimistic and hopeful for a promising future”.

Accordingly, this research will use the hypothesis of a high degree of self-control (Restraint).

Based on the results presented in Table 1 and Hofstede's philosophy, which underpins his assumptions and classifications, a matrix illustrating the expected impact of cultural dimensions on the content of government auditors' reports can be developed, as shown in Table 2.

Table 2: The Influence of Cultural Dimensions on the Content of the Government Auditors' Report Matrix

<i>Cultural Dimensions</i>	<i>Objective Report Positive Effect</i>	<i>Subjective Report Negative Effect</i>
PDI	(-) Low	(+) High
CVM	(-) Low	(+) High
UAI	(-) Low	(+) High
MAS	(-) Low	(+) High
STO	(-) Low	(+) High
RST	(-) Low	(+) High

Source: Constructed by authors

Based on Tables 1 and 2, and the studies that will be presented later, the research hypotheses related to the expected effect of these dimensions on the content of Libyan Governmental Auditors' (LGAs) reports can be formulated as discussed below.

Power Distance

Members of LAB may experience authoritarian pressure from senior management; this can lead them to modify the content of their opinions in reports in order to secure approval from these higher-ups (Ghosh, 2011). Additionally, the study by Ocak and Can (2019) found that government auditors often display aggressive behaviour, motivated by a strong belief in the rule of law. In this context, Table 1 categorised Libya as a society with a Very High Power Distance (PDI). Therefore, as clarified in Table 2, the first hypothesis can be stated as follows:

H1: There is a negative effect of PDI on the content of the LGAs' Reports.

Individualism versus Collectivism

Studies by Rustiarini and Sunarsih (2017) and Suryanto *et al.* (2019) showed that in collectivist cultures, auditors may be reluctant to disclose information due to concerns about harming the reputation of relatives or others with whom they have social ties, driven by social normative pressures. In this context, Table 1 classified Libya as a society with High Collectivism (CVM). Therefore, as explained in Table 2, the second hypothesis can be stated as follows:

H2: There is a negative effect of CVM on the content of the LGAs' Reports.

Uncertainty Avoidance

It demonstrated that high levels of uncertainty lead female auditors to adopt a more conservative approach compared to their male counterparts (Mareque and Carrera, 2023). Similarly, Limajatini *et al.* (2019) indicated that auditors operating in high-uncertainty environments are less likely to

disclose instances of financial fraud. In this context, Table 1 categorised Libya as a society with a High Uncertainty Avoidance (UAI). So, as elucidated in Table 2, the third hypothesis can be stated as follows:

H3: There is a negative effect of UAI on the content of the LGAs' Reports.

Masculinity versus Femininity

Firms with female audit partners or audit committee chairs are more likely to receive lower discretionary compensation, implement more effective internal controls, and are less likely to misrepresent financial reporting compared to firms with male counterparts (Sun and Zhang, 2024). Also, Limajatini *et al.* (2019) and Mareque and Carrera (2023) noted that female auditors often experience uncertainty, prompting them to adopt a more conservative approach than their male colleagues. Hardies *et al.* (2009) identified a potential influence of auditor gender on audit quality, indicating that male auditors tend to be less risk-averse than their female counterparts and are then more inclined to express their audit opinions with greater seriousness. In this context, Table 1 categorised Libya as a society with a High Masculinity (MAS). Therefore, as clarified in Table 2, the fourth hypothesis can be stated as follows:

H4: There is a negative effect of MAS on the content of the LGAs' Reports.

Long-Term Orientation versus Short-Term Orientation

Auditors in short-term orientation countries may adhere to traditional practices and prioritise stability; this can result in reports that are monotonous and routine (Hofstede, 2001; Bouziane *et al.* 2023). In this context, Table 1 categorised Libya as a society with a High Short-term Orientation (STO). Therefore, as clarified in Table 2, the fifth hypothesis can be stated as follows:

H5: There is a negative effect of STO on the content of the LGAs' Reports.

Indulgence versus Restraint

This dimension relates to the extent of freedom of expression, which is frequently restricted in less tolerant societies. Such limitations may be reflected in the auditor's behaviour that often refrains from disclosing issues that could affect parties with political, security, economic, or social influence (Bik Hooghiemstra, 2018; Bouziane *et al.*, 2023). Hofstede *et al.* (2010) ordered Arab countries as a society with High Restraint (RST). Therefore, as clarified in Table 2, the sixth hypothesis can be articulated as follows:

H6: There is a negative effect of RST on the content of the LGAs' Reports.

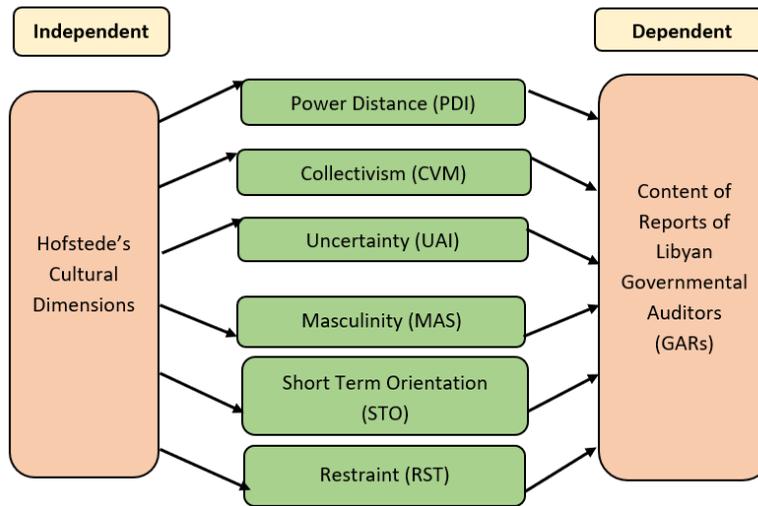


Figure 1: The Research Model

Source: Constructed by authors

LITERATURE REVIEW

As explained in the hypotheses formulation paragraphs, numerous studies have established a connection between culture and various stages of auditing applications, including auditors' behaviour. For this research, the focus was on earlier studies that examined the impact of Hofstede on External Auditors' Reports, including Kitiwong and Srijunpetch (2019), Naslmosavi and Jahanzeb (2017), De Sousa (2018), Abdelfattah *et al.* (2021), Rustiarini *et al.* (2021), and Al-Khafaji and Wahhab (2021). The following facts were extracted from these studies:

1. The studies have faced criticism due to their inconsistent results. For instance, the study by Kitiwong and Srijunpetch (2019) refuted the existence of an effect of cultural dimensions by examining the influence of masculinity versus femininity on auditor disclosures in reports on significant matters in Malaysia, Singapore, and Thailand, ultimately concluding that this dimension had no effect. Similarly, the study by Rustiarini *et al.* (2021) found that the uncertainty dimension did not influence the reporting of financial fraud in auditor reports in Indonesia. Consequently, the findings of these two studies starkly contradict those of other research.
2. Most of these studies employed opinion questionnaires rather than scenario questionnaires; the former emphasises personal viewpoints rather than actual realities; this may introduce bias and fail to measure impact effectively, as highlighted by Naslmosavi *et al.* (2017) and Rustiarini *et al.* (2021). The shortcomings of this approach are evident in the study by Al-

Khafaji and Wahhab (2021); their study surveyed a group of SAI members, academics, and private auditors regarding written phrases, requesting their opinions as a basis for measuring impact. As a result, all responses were potentially biased, with opinions leaning towards the existence of a positive impact for all factors, contrary to logical reasoning.

3. The studies did not collectively address all cultural dimensions, overlooking several important elements, with the exception of the study by Al-Khafaji and Wahhab (2021). However, this study has been critiqued for methodological flaws, specifically for examining two effects within a single study: the effect of cultural dimensions on the report and the subsequent effect of the report influenced by cultural dimensions on the company's value. Additionally, it suffered from a small sample size and the use of an opinion questionnaire, rather than a scenario questionnaire as previously mentioned.
4. All of the aforementioned studies concentrated on private audit reports and did not explore the reports of supreme financial oversight bodies for accounting, with the exception of the study by Al-Khafaji and Wahhab (2021) that gathered the opinions of a limited sample of auditors from the Federal Board of Supreme Audit in Iraq. However, this study restricted its focus to the impact of dimensions on private audit reports only. This underscores the necessity for research into the influence of cultural dimensions on the reports generated by these supreme financial and accounting oversight bodies, particularly given the fundamental differences between private audits and government audits (Carslaw *et al.*, 2012; Eskandari *et al.*, 2019; Ocak and Can, 2019; Branson *et al.*, 2011).
5. All prior studies, with the exception of Al-Khafaji and Wahhab (2021), overlooked a significant cultural dimension that has been part of Hofstede's theory for over a decade: the dimension of Indulgence versus Restraint (Hofstede *et al.*, 2010). This dimension is particularly relevant to audit reports, as it relates to the balance between restriction and freedom of expression. In less tolerant societies, such restrictions may be reflected in the auditor's report, leading auditors to avoid disclosing topics that could affect parties with political, security, economic, or social influence.

In response to the observations mentioned above, this study makes three significant contributions to the existing body of international auditing research. First, it provides additional evidence from a different context that either supports or challenges Hofstede's theory. Second, it addresses the gap in the literature on Governmental Auditing and Cultural Dimensions, an area that has received very little attention. Third, it focuses on the sixth dimension, Indulgence versus Restraint, which has been previously overlooked.

RESEARCH METHODOLOGY

To achieve the research objectives, a questionnaire incorporating scenarios that reflect Hofstede's six dimensions was employed. The questionnaire underwent pre-testing by nine members of staff from accounting departments at Libyan universities, as well as by eleven practitioners. The final Arabic versions of the questionnaire were distributed to a sample of 202 auditors from the Libyan Audit Bureau across all branches of the Libyan state. The researchers analysed the responses and tested specific hypotheses using the statistical software SPSS version 26 (Statistical Package for the Social Sciences) to process the data, calculate averages, and conduct descriptive statistics. This analysis included various measures, such as central tendency, dispersion, frequency distributions, weighted arithmetic mean, standard deviation, and the One Sample T-test. Following the collection of the completed questionnaires, the researchers employed a numerical coding method for the data.

Each scenario corresponding to four options was assigned a score for statistical processing as follows: the first option (1) receives one point, the second option (2) receives two points, the third option (3) receives three points, and the fourth option (4) receives four points. With three intervals and four options, the range for each option was established, where the range is represented accordingly. Therefore, the interval for each option is determined to be 0.75. Consequently, the ranges for each option are as follows: No Effect (from 1 to less than 1.75); Slight Effect (from 1.75 to less than 2.50); Moderate Effect (from 2.50 to less than 3.25); Strong Effect (from 3.25 to 4). The data obtained reflect a good diversity in the educational backgrounds (51.5% hold a Bachelor's degree, 21.3% hold a Higher Diploma, others hold Masters and PhD), and practical experiences (41% have 20 years or more of experience) of the respondents, which can provide valuable responses.

HYPOTHESES TESTS AND RESEARCH RESULTS

Testing the First Hypothesis

Table 3 reveals that 18 auditors (8.9%) were not influenced by the power distance factor, while 140 auditors (69.3%) experienced a slight effect. Additionally, 22 auditors (10.9%) were affected by a medium effect, and another 22 auditors (10.9%) experienced a strong effect. Statistically, the t-test value is 41.756; this exceeds the tabular t-value of 1.645. Furthermore, the significance level is 0.000, below the accepted threshold of 0.05 for this study.

This supports the validity of the first hypothesis: There is a negative effect of PD on the content of the LGAs' Reports. These results corroborate previous studies (Twati, 2008; Naslmosavi and Jahanzeb, 2017; Rustiarini *et al.*, 2021; Al-Khafaji and Wahhab, 2021; AlMutairi *et al.*, 2021).

Table 3: Results of the First Hypothesis: Power Distance (PDI)

Sequence	Scenario	Frequency	Percentage (%)	Mean (\bar{x})	Standard Deviation (SD)	T-Test Value	p-value	Scenario Direction
1	Issuing a report that emphasises the essential deviations in accordance with legal procedures.	18	8.9%	2.238	0.762	41.756	0.000	Simple effect
2	Issuing a report detailing the characteristics of the most significant essential deviations.	140	69.3%					
3	Issuing a balanced report that aligns with the expectations of the LAB management.	22	10.9%					
4	Issuing a report that is devoid of these essential deviations, accompanied by an internal memorandum addressing them to ensure that there are no legal issues arising from them.	22	10.9%					
100.0%		Total	100.0%					

Source: Constructed by authors

Testing the Second Hypothesis

Table 4 clearly shows that 11 auditors (5.4%) were not influenced by the individualism versus collectivism factor, while 130 auditors (64.4%) experienced a slight effect. Additionally, 35 auditors (17.3%) were affected by a medium effect, and 26 auditors (12.9%) experienced an effect. Statistically, the t-test value of 43.455 exceeds the tabulated t-value of 1.645, and the significance level is 0.000, less than the 0.05 significance level used in this study. This supports the validity of the second hypothesis: There is a negative effect of CVM on the content of the LGAs' Reports. This result, verifies previous research by Twati (2008) and AlMutairi *et al.* (2021), however, this conclusion contrasts with findings by Al-Khafaji and Wahhab (2021).

Table 4: Results of the Second Hypothesis: Collectivism (CVM)

Sequence	Scenario	Frequency	Percentage (%)	Mean (\bar{x})	Standard Deviation (SD)	T-Test Value	p-value	Scenario Direction
1	Amend the report, correct the error, republish it, and initiate an investigation into the matter.	11	5.4%	2.376	0.777	43.455	0.000	Simple effect (collective)
2	He requests his friend to prepare a corrective memo.	130	64.4%					
3	Hold a meeting with key committee members to resolve the issue internally, ensuring it does not impact the report.	35	17.3%					
4	The issue is overlooked on the grounds that the report has already been published.	26	12.9%					
Total		202	100.0%					

Source: Constructed by authors

Testing the Third Hypothesis

Table 5 shows that 76 auditors (37.6%) were not influenced by the uncertainty avoidance factor, while 71 auditors (35.1%) experienced a slight effect. Additionally, 39 auditors (19.3%) were impacted by a medium effect, and 16 auditors (7.9%) were subject to a strong effect. Statistically, the t-test value is 29.759, exceeding the tabulated t-value of 1.645. In addition, the significance level is 0.000, less than the 0.05 threshold adopted for this study. This supports the validity of the third hypothesis: There is a negative effect of UAI on the content of the LGAs' Reports. This finding corroborates previous research (Twati, 2008; Naslmosavi and Jahanzeb, 2017; De Sousa, 2018; Al-Khafaji and Wahhab, 2021; AlMutairi *et al.*, 2021). However, this conclusion contrasts with findings from other studies (Kitiwong and Srijunpetch, 2019; Rustiarini *et al.*, 2021).

Table 5: Results of the Third Hypothesis: Uncertainty Avoidance (UAI)

Sequence	Scenario	Frequency	Percentage (%)	Mean (\bar{x})	Standard Deviation (SD)	T-Test Value	p-value	Scenario Direction
1	More than 50%	76	37.6%	1.975	0.943	29.759	0.000	Small effect (caution)
2	From 30-50%	71	35.1%					
3	From 10-30%	39	19.3%					
4	Less than 10%	16	7.9%					
Total		202	100.0%					

Source: Constructed by authors

Testing the Fourth Hypothesis

It is clear from Table 6 that 78 auditors (38.6%) were not affected by the factor of masculinity versus femininity, while 63 auditors (31.2%) were affected by a slight effect. Also, 33 auditors (16.3%) fell under a medium effect and 28 others (13.9%) under a strong effect. Statistically, since the value of the t-test is equal to (27.759), i.e., greater than the tabular t-value that is equal to (1.645), and its significance level is equal to (0.000), which is less than 0.05, the significance level adopted in the study, this achieves the validity of the fourth hypothesis. There is a negative effect of MAS on the content of the LGAs' Reports. This supports what was confirmed by previous studies (Twati, 2008; Abdelfattah *et al.*, 2021; Rustiarini *et al.*, 2021; Al-Khafaji and Wahhab, 2021; AlMutairi *et al.*, 2021), and contradicted by the study by Kitiwong and Srijunpetch (2019).

Table 6: Results of the Fourth Hypothesis: Masculinity (MAS)

Sequence	Scenario	Frequency	Percentage (%)	Mean (\bar{x})	Standard Deviation (SD)	T-Test Value	p-value	Scenario Direction
1	More than 50%	78	38.6%	2.054	1.052	27.759	0.000	30 to 50 no preference
2	From 30-50%	63	31.2%					
3	From 10-30%	33	16.3%					
4	Less than 10%	28	13.9%					
	Total	202	100.0%					

Source: Constructed by authors

Testing the Fifth Hypothesis

Table 7 indicates that 21 auditors (10.4%) were not influenced by the factor of long-term orientation versus short-term orientation, while 44 auditors (21.8%) experienced a slight effect. Additionally, 40 auditors (19.8%) were categorised under medium effect, and 97 auditors (48.0%) were classified under strong effect. Statistically, as the value of the t-test is 41.086, exceeding the tabulated t-value of 1.645, with a significance level of 0.000, which is less than the 0.05 significance level adopted in this study. This supports the validity of the fifth hypothesis. There is a negative effect of STO on the content of the LGAs' Reports. This finding, which indicates an effect of STO, is consistent with Rustiarini *et al.* (2021), Al-Khafaji and Wahhab (2021) and AlMutairi *et al.* (2021).

Table 7: Results of the Fifth Hypothesis: Short-term Orientation (STO)

Sequence	Scenario	Frequency	Percentage (%)	Mean (\bar{x})	Standard Deviation (S.D.)	T-Test Value	p-value	Scenario Direction
1	Issue a report that identifies the error and initiates an investigation into the matter.	21	10.4%	3.054	1.057	41.086	0.000	Medium (short-term) impact
2	Follow the standard procedure and prepare the report based on the information available.	44	21.8%					
3	Consult with colleagues about the possibility of amendments to facilitate change.	40	19.8%					
4	Prepare a separate report that addresses the situation and lays the groundwork for future improvements.	97	48.0%					
Total		202	100.0%					

Source: Constructed by authors

Testing the Sixth Hypothesis

Table 8 indicates that 43 auditors (21.3%) were not influenced by the factor of leniency versus self-control, while 19 auditors (9.4%) experienced a slight effect. Additionally, 118 auditors (58.4%) exhibited a medium effect, and 22 auditors (10.9%) demonstrated a strong effect. Statistically, the value of the t-test is 39.005, exceeding the critical t-value of 1.645. Furthermore, the significance level is 0.000, below the adopted threshold of 0.05 in this study. This supports the validity of the sixth hypothesis, there is a negative effect of RST on the content of the LGAs' Reports. This result, indicating a moderate effect of self-control, corroborates findings from previous studies (Hofstede *et al.*, 2010; Al-Khafaji and Wahhab, 2021) but contradicts the study by AlMutairi *et al.* (2021).

Table 8: Results of the Sixth Hypothesis: Indulgence versus Restraint

Sequence	Scenario	Frequency	Percentage (%)	Mean (\bar{x})	Standard Deviation (S.D.)	T-Test Value	p-value	Scenario Direction
1	Providing a grace period to rectify the situation in preparation for issuing a clean report.	43	21.3%	2.589	0.943	39.005	0.000	Medium effect (self-control)
2	Issuing a report with non-essential reservations.	19	9.4%					
3	Responding regarding the issuance of the report.	118	58.4%					
4	Requesting an exemption from the task and assigning an alternative auditor to produce a report indicating the violations.	22	10.9%					
Total		202	100.0%					

Source: Constructed by authors

RESEARCH CONCLUSIONS

This study examined the effect of Hofstede's cultural dimensions on governmental reports within the Libyan Accounting Bureau. The results indicated a statistical relationship between the cultural dimensions namely, Power Distance, Individualism versus Collectivism, Uncertainty Avoidance, Masculinity versus Femininity, Long-term versus Short-term Orientation, and Indulgence versus Restraint and the credibility and objectivity of SAIs' opinions. This underscores the influence of national culture on government auditing practices. Moreover, these results provide new evidence supporting Hofstede's hypotheses from a different context. Further research on the impact of cultural dimensions on other aspects of governmental auditing, such as independence, evidence collection, and auditing behaviour, is needed.

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