519
Al-Qadisiyah Journal for Administrative and Economic Science ISSN Online: 2312-9883
QJAE, Volume 24, Issue 3(2022) ISSN Print : 1816-9171

[The role of local audit guides in compliance with international audit standards in raising the level of professional performance of auditors]

Researcher [1]
Muslim Hamid Mahdi
Accounting Department
College of Management and Economics
Al-Qadisiyah University/ Iraq
admin.acco21.21@qu.edu.iq

Prof. Dr [2]
Dr. Nazim Shaalan Jabar al-Tamimi
Accounting Department
College of Management and Economics
Al-Qadisiyah University/ Iraq

Abstract

The aim of the research is to know the role of applying international audit standards in the local environment and to work to issue local audit guides that comply with international standards by the Council of Accounting and Supervisory Standards in Iraq to raise the level of professional performance of auditors , The problem we are trying to answer is is is there a compatibility between local audit evidence and international audit standards, which relate to the identification of a set of ethical and professional controls that leads to the preparation of a highly efficient audit report? Does local audit evidence help raise the level of professional performance of auditors? , Through the course of the research, a sample analytical study of the auditors' reports of Ishtar Hotels Company for the years (2017, 2018, 2019) was conducted to find out the compliance with international audit standards and local audit evidence to raise the level of professional performance , The research reached a set of results, the most important of which is the existence of a partial consensus between local audit evidence and international audit standards where consensus was made on (7) criteria out of (38) international standards and indicated, the most important of which was the adaptation and amendment of laws, regulations and legislation by the concerned authorities in accordance with the international environment to achieve consensus , The need to examine the spatiality of issuing local audit evidence that is appropriate and unparalleled in the local environment and comply with international audit standards to raise the level of professional performance.

Keywords – International audit standards , local audit guides, level professional performance

Introduction

Studies and research emphasized the importance of scrutiny in the credibility and reliability of financial statements where the thinking began to provide rules and assets for the audit profession can be consulted and adhered to replace the jurisprudence in this area, professionals conducted comparative studies between a group of industrialized countries taking advantage of experiences in a number of countries to develop general rules governing the audit profession and it was not easy as a result of the disparity between countries, but the international committee was formed to practice audit, which is one of the The IAC committees are intended to improve the quality of auditing and standardize the practice of the profession in the world.

Audit standards have been developed as guidelines that enable observers to understand the foundations and rules of the audit process and that local audit guides comply with international standards and play a role in improving the performance and effectiveness of institutions by expressing an opinion fairly and impartially.

Al-Qadisiyah Journal for Administrative and Economic Science ISSN Online: 2312-9883
QJAE, Volume 24, Issue 3(2022) ISSN Print : 1816-9171

The role of compatibility of local audit evidence applied in the Iraqi environment with audit standards to know the commitment of regulatory agencies to apply international audit standards when conducting auditing financial statements is of great importance, and in developing corrective measures to narrow fraud practices and raise the quality of the auditing work and directing and guiding auditors in the Iraqi environment to give confidence and credibility in financial statements and thus improve the efficiency of the auditing profession.

To improve and evaluate the performance of institutions, give credibility to financial statements and raise the confidence of users of financial information, states have taken care of the auditing standards process as one of the foundations of the audit process by making audit procedures stronger and acquiring the legal picture that protects the auditor from legal accountability.

First research: Research methodology

1. problem of searchn

The problem we are trying to answer can be formulated according to the following questions 1.1 . Is there a consensus between international audit standards and Iraqi local audit guides related to the identification of a set of ethical and professional controls that lead to the preparation of a highly efficient audit report ?

1.2. Does local audit evidence help raise the level of professional performance of auditors?.

2. Search objectives

The objective of the research is to demonstrate the role of applying international audit standards and their role in improving the level of professional performance and achieving transparency and credibility in the presentation of financial statements and the extent to which they are relied upon by other entities to raise the efficiency and effectiveness of companies and institutions and work to issue local audit guides that comply with international audit standards to improve the quality of professional performance before the Board of Auditor's Profession in Iraq .

3. Search hypotheses

3.1. There is a partial compatibility between Iraqi local audit guides and international audit standards..

3.2. Local audit guides identify a set of ethical and professional controls for auditors that help to raise the professional performance of auditors.

4. the importance of research

The importance of research in determining the role of compatibility of international audit standards with Iraqi local audit guides and knowing the degree of commitment of regulatory bodies to apply international audit standards, in developing corrective measures to enhance transparency and credibility of financial statements and reduce its negative effects and to issue local audit guides that comply with international audit standards, where international audit standards are an essential element in guiding and guiding auditors in the Iraqi environment to give confidence and credibility to financial statements and thus improve the efficiency of the practice of international auditing. Auditing profession .

5. Methods of data collection and sources

5.1. Relying on literature from Arab and foreign sources available in libraries and studies of frames, letters and research, in addition to international and Arab magazines and publications issued by professional organizations, legislation and Iraqi regulations as well as websites on the Internet .

Al-Qadisiyah Journal for Administrative and Economic Science ISSN Online: 2312-9883
QJAE, Volume 24, Issue 3(2022) ISSN Print : 1816-9171

5.2. A sample of the Federal Financial Supervisory Bureau reports for the years (2017, 2018, 2019) was selected for study and diagnosis of the role of compatibility between international audit standards and local audit guides .

6. Previous studies

6.1. Akram Latif Shaker Study (2014) entitled "The extent to which the auditor adheres to international audit and confirmation standards and its impact on data reliability" aims to highlight the most important international audit and confirmation criteria related to the reliability of financial statements, Referring to the importance of providing local audit evidence that can be standardized with its international counterparts, one of the most prominent conclusions is that the local audit evidence after comparing it with international audit standards is that there is a big difference between them, and therefore the Iraqi audit evidence is few in number and not comprehensive and is generally placed and the study has made a number of recommendations that included reviewing local audit evidence and issuing more of this appropriate evidence **.**

6.2. Raghad Munir Farhan Al Zubaidi's Study (2017) entitled "The extent to which Iraqi internal auditors adhere to international internal audit standards to reduce fraud and fraud" aims to draw the attention of internal auditors in the Iraqi public sector for the purpose of developing their professional practices by adhering to international internal audit standards (IIA) because of the guidance and guidance it provides for the internal auditor's activity to reduce the wrong and illegal practices of fraud and fraud, The study has reached a range of proposals, including keeping up with recent developments in the concept and objectives of internal audit standards, seeking to identify the functions of the internal audit body in accordance with international internal audit standards (IIA) and complying with them in terms of the characteristics that should be available in it, In terms of the requirements of its performance, powers and responsibilities to ensure effective control of performance in general.

6.3. Farah Bahauddin Study (2015) entitled "The extent to which international accounting audit standards in Algeria can be applied. National professionalism to issue standards and legislation that are consistent with the local environment and are in line with the realistic expectations of the community and reasonable expectations by auditors in order to work to bring views closer to minimize the expectation gap National professional organizations should require audit and accounting offices to set up a special section to monitor the quality of the audit process.

6.4. Callahan Study & Doront, Independent Auditor Countrybution S Jeff Creditability to The Financial Stattens (2002) Independent Auditor Contribution Gives Credibility to Financial Statements , This study focuses on the auditor's professional contribution to the fairness of the company's financial statements and determines whether the financial statements were prepared in accordance with GAAP and reveals anything that calls into question the integrity of the financial statements provided, and the auditor prepares a report on the financial statements and this study reached the most important recommendations , The auditor must assess risks and irregularities affecting the client's financial records through evidence of his duties in accordance with the approved audit criteria, which increases credibility with audited financial lists.

The second topic: the conceptual framework of international audit standards

1.1 . The concept of auditing

Due to the rapid development that the world has known and as a result of the large size of institutions, the need for external scrutiny has emerged, which has led to the development of this profession to meet the society's growing needs for reliable data and information that reflect the safety of performance in the establishment**.**

The audit is intended to examine the internal control systems, data, documents, accounts and books of the project under scrutiny, with a critical and orderly examination with a view to coming up with a neutral technical opinion on the extent to which the financial statements indicate the financial situation.[1]

The American Accounting Association's Basic Concepts Committee for Audit and The American Accounting Association has been informed of the audit process on its structured and systematic process of objectively

Al-Qadisiyah Journal for Administrative and Economic Science ISSN Online: 2312-9883
QJAE, Volume 24, Issue 3(2022) ISSN Print : 1816-9171

collecting and evaluating evidence and evidence, which relates to the results of economic activities and events, in order to determine the compatibility and compatibility of these results with established standards (e.g. accounting principles), and to inform the parties concerned about the results of the audit. [2]

1.2 . International audit standards

Audit criteria represent professional performance levels for auditors, as they are the framework through which professionals can be disciplined and guided in performing the work optimally and in appropriate quality, and therefore professional organizations work to issue those standards to raise the efficiency and advancement of the members of the profession[3] .

The Oxford Accounting Dictionary (2008) describes the audit criteria as the basic principles and procedures that auditors must adhere to in conducting any audit of financial statements. These are the basic principles governing professional reviewers and the responsibilities to be adhered to when conducting an audit [4]

1.3. Reasons for concern for international standards of scrutiny

One of the reasons for the need for international scrutiny is [5]

1.3.1 As a result of the development of multinational companies, it was necessary to have a neutral technical body that audited the financial statements of companies with an international status .
1.3.2 Improve accounting information systems and their audit areas by making international comparison by noting how other countries respond and react appropriately to the problems they face .
1.3.3 As a result of the economic crises and the spread of branches of multinational companies led to the need to achieve international consensus in the recent period .

1.4 . The importance of applying international audit standards

International audit standards are of great importance if these standards are appropriate, acceptable and customary and are writtenly documented for all members of the profession to remove any ambiguity and need to be reviewed from time to time according to the new circumstances in order to achieve the desired benefits and subject them to improvement and development on the one hand and to address the shortcomings and gaps that arise during their application on the other[6] importance of international audit standards is reflected in the following ; [7]

1.4.1 Setting international standards of scrutiny that are universally accepted .
1.4.2 Guidance from high-quality financial and non-financial operations .
1.4.3 Publication of rules on audit issues that increase public understanding of the roles and responsibilities of professional auditors .
1.4.4 Internationalization of auditors' reports by adopting standard international audit standards .
1.4.5 Statement of the auditor's duties and responsibilities towards management, profession and third party .
1.4.6 Confidence in financial statements by auditor's report to investors, lenders and others .
1.4.7 Laying the foundations for the profession by clarifying the optimal behavior of auditors .
1.4.8 No data returned (timeout while sending data).

The third topic: compatibility and uniformity

2.1. The concept of compatibility and accounting unification:

Al-Qadisiyah Journal for Administrative and Economic Science ISSN Online: 2312-9883
QJAE, Volume 24, Issue 3(2022) ISSN Print : 1816-9171

Compatibility is the application of international audit rules and standards in more than one country for domestic and international organizations and under a homogeneous and unified set of audit rules on financial statements prepared by multinational companies [5]

Unification refers to a situation in which everything is consistent and homogeneous, in the sense that all principles and practices are the same, thus implying the unification of policies, practices, principles and standards at the international level (baqa, 2013:42) and unification means imposing a set of rules that are more stringent and narrower. [8]

To achieve compatibility in accounting and auditing practices, there must be a professional body regulating these practices To contribute to strong international economies by raising the level of compliance with high quality professional standards, increasing international compliance with these standards, and expressing topics of public interest where professional experience is most relevant. [9]

2.2. The benefits of compatibility and uniformity in the application of international audit standards

International audit standards have many important benefits, including:

2.2.1 The possibility of comparing international financial information, as the decision-making process requires comparing a range of alternatives and this process requires statements prepared according to uniform foundations and thus remove the ambiguity and contradiction of the users of financial statements, and since the goal is to provide useful information for decision-making, so international standards facilitate the comparison process , It also helps to remove a major obstacle to the free flow of international investments, and encourage capital flow at the lowest cost and the highest efficiency. [10]

2.2.2 Allow countries with an accounting environment that is still in the process of training and growth to benefit from the experiences of countries characterized by an advanced accounting environment through the possibility of using best accounting practices. [11]

2.3. Professional organizations in Iraq and their role in setting audit standards

In 1969, the Law of the Association of Accountants and Auditors No. (185) was passed and was aimed at raising the professional and social level of members and practitioners and defending their rights, regulating the rules of practice of the profession, and cooperating with trade unions, associations and professional bodies inside and outside Iraq in order to Achieving the common objectives[12] and the Association of Accountants and Auditors in Iraq has a role to play in applying and monitoring accounting and auditing rules and standards through the Audit Supervisors Committee and the Committee of AccountIng Offices where they supervise the practices of Members in the field of accounting and auditing and began to develop the profession until the association of accounting regulators and the Association of Auditors were established, two specialized associations that organize the work in accounting and auditing .[13]

Established in 1988, the Council of Accounting and Supervisory Standards in Iraq is responsible for regulating the accounting profession, preparing accounting rules and auditing guides in Iraq and based in the Office of Financial Oversight, consisting of representatives of some ministries, bodies and related entities [14], and the Council has issued a set of auditing standards that have taken the form of local guides in accordance with international audit standards and the Board shall take the following matters: [15]

2.3.1 Study, development and approval of accounting and regulatory standards .

2.3.2 Express opinion on the bills, accounting and regulatory regulations and regulatory and accounting provisions contained in other projects and laws.

2.2.3 Proposing amendments to accounting and regulatory legislation.

Al-Qadisiyah Journal for Administrative and Economic Science ISSN Online: 2312-9883
QJAE, Volume 24, Issue 3(2022) ISSN Print : 1816-9171

2.2.4 Provide technical advice in accounting and supervisory matters to the relevant authorities in a way that does not conflict with the competences of ministries and entities not associated with the Ministry and other departments in the country.
2.2.5 Coordination and cooperation with professional and scientific institutions and organizations inside Iraq.

2.4. Local audit standards

Due to the importance of auditing standards, the regulators responsible for the development, organization and issuance of standards differ in different entrances to accounting regulation adopted by each country, countries that follow the legal entry point of accounting regulation do not have the Accounting Standards Committee (ASB) or the Financial Accounting Standards Board (FASB) and accounting regulations are administered by the National Board of Accounting Standards (ASB) or the Financial Accounting Standards Board (FASB). The government follows, as for the countries that follow self-regulation, professional organizations and securities exchange bodies play an important role in determining the degree of disclosure [16] , while in Iraq, the Council of Accounting and Supervisory Standards in Iraq has issued a set of audit guides, which numbered (7) audit guides, which are as follows :

2.4.1 Directory No. (1) The Responsibility of the Comptroller for subsequent events .
2.4.2 Directory No. (2) Auditor's Report on Financial Statements .
2.4.3 Guide no. (3) basic audit criteria .
2.4.4 Manual No. (4) Study and evaluation of the internal control system .
2.4.5 Directory (5) documentation .
2.4.6 Guide 6 planning and supervising the audit process.
2.4.7 Guide Number (7) Quality Control .

2.5. Comparing local audit evidence with international audit standards

A comparison has been made between international audit standards and local audit evidence applied in the Iraqi environment to determine the compatibility of local evidence with the international environment to raise the level of professional performance and to give greater confidence and credibility to the information and data contained in the financial statements as this consensus is partially limited to (7) international standards out of (38) criteria and the local audit evidence is characterized by some good detail and appropriate to the Iraqi environment but there is no modification or update on the local evidence issued issued It is consistent with economic and social developments and does not keep pace with changes in international standards, in addition to the lack of local audit evidence relating to audit objectives and general principles of the international standard (200), international standard fraud practices (240), the response of the assessed risk auditor to the international standard (330) and the international standard audit guides (500), which are considered one of the most important audit criteria for raising the level of professional performance **.**

Table (1) Comparing local audit guides with international audit Standards

International Audit Standards		Local audit guides		observations
Standard Number	**Standard address**	**Directory Number**	**Directory address**	
560	Subsequent events	**1**	The controller's responsibility for subsequent events	Local audit guide is compliant with international audit standard
700	Form an opinion and prepare an audit report on financial statements	**2**	Accounts report on financial statements	Local audit guide is compliant with international audit standard

Al-Qadisiyah Journal for Administrative and Economic Science ISSN Online: 2312-9883
QJAE, Volume 24, Issue 3(2022) ISSN Print : 1816-9171

1	Quality control for offices that implement audit and examination links to financial lists and other confirmation links related service links	**3**	Basic audit standards	Do not update the local audit guide with versions of international audit standards
315	Identifying and assessing the risks of fundamental error by understanding the origination and environment	**4**	Study and evaluation of the internal control system	Local audit guide is compliant with international audit standard
330	documentation	**5**	documentation	Local audit guide is compliant with international audit standard
300	Planning	**6**	Planning and supervising the audit process	Local audit guide is compliant with international audit standard
220	Quality control for auditing	**7**	Quality control	Local audit guide is compliant with international audit standard

The fourth topic: the applied aspect

A study and analysis of ishtar hotel company's auditor reports for the years (2017, 2018, 2019) will be conducted to determine the degree of compliance with local audit evidence applied in the Iraqi environment and in accordance with international audit standards, and the role of that commitment in raising the level of professional performance of the audit profession and through study and analysis, the auditor's report referred to the following observations:

2.5.1 The cash flow statement was not prepared in accordance with accounting rule No. 7 issued by the Accounting and Supervisory Standards Board of the Republic of Iraq for 1996 and the company did not hold records showing detailed information on the movement of cash in the company for the years (201 8, 2019) needed to prepare this disclosure, which facilitates the follow-up and validation of the amounts confirmed in the year 2019, has been shown to contain amounts that do not represent actual cash movement of revenues and expenses, which has led to Failure to show cash effectively as mentioned in the same observations for the previous year (2018), and the auditor's action was consistent with paragraph (9/g) of audit manual No. 2 issued by the Accounting and Supervisory Standards Board of the Republic of Iraq for 1999 in accordance with international audit standard No. (700) .

2.5.2 The result of the company's activity for the fiscal year (2017) showed a surplus of total activity of (561,768,869) dinars (five hundred and sixty-one million, seven hundred and sixty-eight thousand and eight hundred and sixty-nine dinars) a decrease from the year Previous (2016) by (1,091,258,850) dinars (1.91 billion, two hundred and fifty-eight thousand and eight hundred and fifty-five dinars) these results were based on the following indicators:

Table (2) As a result of the company's activity for fiscal year (2017)

Item	Previous year 2016	Current year 2017	Amount of increase or decrease	The rate of increase or decrease

Al-Qadisiyah Journal for Administrative and Economic Science ISSN Online: 2312-9883
QJAE, Volume 24, Issue 3(2022) ISSN Print : 1816-9171

Current income	2,775,975,571	9,063,387,234	6,287,411,553	226%
Other revenues	52,500,000	133,360,000	80,860,000	154%
Total revenue	2,828,475,571	9,196,747,234	6,368,271,553	
Current expenses	761,579,465	7,862,557,241	7,100,977,776	932%
Manufacturing expenses	413,868,500	772,421,124	358,552,624	87%
Total expenses	1,175,447,965	8,634,978,365	7,459,530,403	
Net surplus/deficit	1,653,027,606	561,768,869	(1,091,258,850)	

Through the indicators shown in the table above, the following observations were indicated:

a. The increase in current revenues from the previous year due to the receipt of the hotel by the company and the conclusion of a contract for management and operation of the hotel with Crystal Crand as well as the increase in other revenues from the previous year.
b. Expenses increased by a higher percentage than the increase in revenue due to the receipt of the hotel and the conclusion of the contract of operation and management of the hotel during 2017, but in 2016 was limited to receiving the rental allowance from the investing company.

The study and analysis of the diagnosis of observations was consistent with paragraph (4) of the 1999 Audit Manual No. 2 of the Accounting and Supervisory Standards Board of the Republic of Iraq, which complies with the International Audit Standard No. (700) to form an opinion and prepare an audit report on financial statements.

3 Inaccuracy in estimating budget allocations for the year (2017), which led to an overtaking of the balances allocated to certain expenditures and a decrease in others or the non-disbursement of some accounts despite the existence of a specialty.

a. There is an overreach and a decrease in the implementation of some paragraphs and according to the following table:

Table (3) Overreach and decline in the implementation of some paragraphs for budget allocation for the year (2017)

account number	Account name	schema	Actual	Implementation rate%
32	Commodity Supplies	440,000	5,934	1
38	Manufacturing expenses	365,000	127,528	48
39	Other expenses	35,000	666,275	1,904
49	Other revenues	25,000	133,360	533

b. Some paragraphs have been disbursed despite the lack of planned amounts as shown in the table below:

Table (4) amounts available despite the lack of allocation in the budget for the year (2017)

Accounting Directory No.	Account name	Amounts actually spent / 1,000 dinars
326	Equipment for employees	1891
335	Incidental expenses	5000
342	Operating services	6807956

c. The company does not spend on some accounts despite the existence of planned amounts to be disbursed on them as shown in the table below:

Table (5) Amounts available despite no planned amounts for the year (2017)

Accounting Directory No.	Account name	Cannot detect language. Please choose it manually.
321	Cannot detect language. Please choose it manually.	50000

Al-Qadisiyah Journal for Administrative and Economic Science ISSN Online: 2312-9883
QJAE, Volume 24, Issue 3(2022) ISSN Print : 1816-9171

42	Cannot detect language. Please choose it manually.	540000
461	Credit interest	88500

The auditor's action was consistent with paragraph (22/general responses) of IAS (330), although there was no local evidence consistent with the international standard as described below and those observations were not processed for subsequent years (2018,2019)

4 At the end of fiscal year (2019), the Company inventoryed fixed and stored assets by the Inventory Committee formed by the numbered administrative orders (735) on 11/12/2019 and (736) on 11/12/2019 and formed a committee to match the results of the actual inventory with the balances As on 31 December 2019 under the administrative order numbered (733) on 11 December 2019, observations of errors or fraud in those balances have been confirmed, so it is necessary to know the causes of the differences and address them based solely on the international audit standard (240). What is shown below:

a. The actual inventory results of their fixed and stored assets are not matched with the balances shown in the records as at 31 December 2019, contrary to paragraphs (1a) and (3a) of financial statement preparation requirements.
b. There are differences between the balances of the store shown in the audit balance and its balances under the stored control accounts and there was no answer to the inquiry about the differences:

Table (6) Differences between store balances shown in the audit balance and stored control calculation for the year (2019)

Directory Number	Account name	Balance under audit balance	Balance under store control account	difference
131	Raw material stock	6,869,000	7,569,000	700,000
133	Reserve stock	24,595,000	22,556,000	2,039,000
135	Variety inventory	117,505,000	114,519,000	2,986,000

5 The presence of outstanding and rounded amounts for the fiscal year (2017) detailed in the table below did not take the necessary action, and the audit procedure was in accordance with the requirements of the International Audit Standard No. (240).

6 The company does not send requests to the relevant authorities to support the validity of its debtor and creditor assets shown by the company's financial records as of 31/12/ for the years (2017, 2018, 2019) contrary to paragraph (5b) One of the requirements for the preparation of financial statements issued by the Federal Financial Supervisory Office under the book numbered (2/5/5/26283) on 26 November 2017, which leads to the inability to express professional judgment based on reliable evidence, This is contrary to international audit standard 500.

7 The company did not provide an analytical statement of the balances of a private debtor account and revenues due for the fiscal year (2019) contrary to paragraph (5a) of the financial statement preparation requirements, so the auditor was not able to complete the audit procedures mentioned, so the professional judgement based on reliable evidence could not be expressed because the validity of the debtor and creditor balances was not confirmed, contrary to audit standard No. 500, where there is no local standard applicable to the international standard, which generates professional suspicion of error or Fraud in the accounts mentioned.

8 There is a difference between the balance of the account of the creditors of the distribution of profits under the statement of analysis of the credit balances and the balance under the financial records as shown in the table below and when the auditor inquires, the company indicated that the balance of records is the correct balance, indicating errors or fraud in those balances, so it is necessary to know the reasons for the differences and address them based on the international audit standard No. 240.

9 The balance of the account allocation for doubtful debts for the fiscal years (2017, 2018, 2019) is not appropriate as shown in the table below, although those observations were indicated by the Auditor for the years mentioned and this procedure was consistent with paragraph (32/b) of international audit standard No. (240) as described in the table below:

Table (7) Account balance for doubtful debts for fiscal years (2017, 2018, 2019)

Al-Qadisiyah Journal for Administrative and Economic Science ISSN Online: 2312-9883
QJAE, Volume 24, Issue 3(2022) ISSN Print : 1816-9171

Years	Debtors' account balance	Account balance of doubtful debts	Allocation ratio to total debtors
2017	35,353,584,000	521,000	0,001%
2018	37,973,853,000	521,000	0,001%
2019	37,968,347,000	521,000	0,001%

10 The balance (hotel and tourism income, overnight income) of 2,075,738,000 dinars (2.75 million, seventy-five million, seven hundred and thirty-eight thousand dinars) has not been confirmed because there is no disclosure showing the number of rooms rented to guests by room type, type of accommodation, prices of those rooms and the number of rooms that have been granted a discount on the price and fundamentalist approvals in violation of the international audit standard (500) despite an inquiry by the auditor to request disclosure.

11 The amounts of debts incurred by the company (former investor of the hotel) were not collected despite the filing of lawsuits to demand the repayment of the debts that it owed and all the claims were resolved for the tourist company Ishtar hotels and acquired the provisions of the determinant degree and was inquired by the auditor on the subject and the answer was to issue a decision to prevent the travel of the authorized director of the investing company, which indicates the weakness of the internal system of the company to follow up the company's funds, The auditor's action was in accordance with paragraph (4/internal control system) of audit manual No. 4 issued by the Accounting and Supervisory Standards Board of the Republic of Iraq for the year 2000 in accordance with international audit standard No. (315)

The above shows that the auditors' report identified a set of observations based on Iraqi local audit evidence, which contributed to raising the level of professional performance of the audit profession despite the limitation of local evidence and its compatibility with (7) international audit criteria out of 38 criteria.

The auditors' report relied on the diagnosis of certain observations on international audit criteria that do not have local audit evidence to correspond to them in the Iraqi environment, but the diagnosis of those observations lacks audit evidence that is appropriate to the Iraqi environment to be directed to them to be efficient and effective, including the failure to match the results of the actual inventory of fixed and stored assets with the balances shown in the records and the existence of differences between the balances of the store shown in the balance of audit and its balances under the calculation of the actual inventory of the fixed and stored assets. Stored control, and inaccuracy in estimating budget allocations, which led to the overtaking of the balances allocated to certain expenses and the decline in others or the non-disbursement of some accounts despite the existence of an allocation to them, and the failure of the company to send requests to the relevant entities to support the validity of its assets city and creditor shown by the financial records.

Conclusions and recommendations

1. Conclusions

1.1. International standards are the result of the emergence of multinational companies, their increasing role in international relations, the expansion of economic and financial activities and the economic consolidation of geographical boundaries.

1.2. When comparing local audit evidence with international audit standards, we noted that there was a significant difference between them, as local evidence was limited to some key audit topics and lacked important and key topics that had not yet been issued by a local standard or evidence, which led to the fact that the audit procedures are conducted less efficiently than required, which negatively affects the reliability of the financial statements and that the auditors, despite their commitment to local audit evidence, need evidence. Other basic local audits comply with international audit standards to develop their skills in raising their professional performance.

1.3. The 7 local audit evidence is well detailed and appropriate to the Iraqi environment, but there is no modification or update of that evidence that is consistent with international developments and changes in international audit standards with which local evidence has agreed.

2. Recommendations

Through the course of the research and the conclusions reached, we recommend the following:

2.1. The state and stakeholders should adapt and amend laws, regulations and legislation in accordance with the requirements of the international environment in order to facilitate the process of compatibility, integration and the application of international standards in general.
2.2. The Need for the Accounting and Supervisory Standards Board in Iraq to examine the possibility of issuing local audit guides that are in line with community expectations and conform to international audit standards that are unparalleled in current local audit manuals.
2.3. The Need for the Accounting and Supervisory Standards Board in Iraq to update the local audit evidence issued by it in accordance with updates to international audit standards as a result of developments in the economic environment.
2.4. International audit standards must be complied with to raise the performance of economic institutions and units and preserve their resources and prevent the misuse of their assets.

Sources and references

1. Abdullah, Khalid Amin, auditing and monitoring banks, Wael Publishing and Distribution House, 2012, p. 19.
2. Al-Sahn et al., Abdel Fattah Mohammed, Dr. Hassan Ahmed Obeid, Dr. Sherifa Ali Hassan, Foundations of the External Review, Published by The Modern University Office - Alexandria, 2007, p. 17.
3. Al-Shaha, Rizk Abu Zeid, auditing is a contemporary entry in accordance with international audit standards, Jordan Olive University/ Faculty of Economics and Administrative Sciences, first edition, 2015, p. 103.
4. Audit Expectations Gap and Perception of Financial Reporting Ndukwe O. Dibia PhD, FCA, CFA ACTI International Journal managerial studies valume 3,Issue march .2015, p27.
5. Buisman , Jan , and Gilmour , Graham, International Auditing, 6th ed., Klassen Inc., Free University of Amsterdam, 2008 ,p 486
6. Tamimi, Nazim Shaalan Jabbar, Accounting Audit in accordance with international standards, first edition, Neipur Printing, Publishing and Distribution House, 2019, p. 21 22.
7. Abdul Jabbar, Andra Khalid, relative importance and impact on the efficiency of auditing, Journal of the Baghdad School of Economics, Baghdad University, Iraq, 2016, p. 234.
8. Alexander, D., & Nobes, C. (2016). Financial accounting An International Introduction (6 ed.). United Kingdom: pearson , p 85 .
9. Juma, Ahmed Helmy, Leadership in Accounting and Auditing, First Edition, Safaa Publishing and Distribution House, Amman, 2011, p. 168.
10. Abdul Qadir, Qadri, International Accounting Compatibility as one of the new applications of accounting globalization, Forum Journal of Economic Studies and Research Volume 4, Issue 4, 2020, p. 38.
11. Baqai, Abdul Qadir Mohsen, International Credit, University of Science and Technology Center, Sana'a, 2013, p. 43.
12. Iraqi Facts, Issue 1801, 1969 p. 3.

Al-Qadisiyah Journal for Administrative and Economic Science ISSN Online: 2312-9883
QJAE, Volume 24, Issue 3(2022) ISSN Print : 1816-9171

13. Al-Jubouri, Abdul Sahib Najm Abdul, reality and future of Iraq's experience in the development of accounting and auditing standards, researched the publication of the proceedings of the first scientific conference of the Faculty of Management and Economics / Al-Qadisiyah University, 2009, p. 496.
14. Al-Nuaimi, Ziad Nizar Abdul Jabbar, procedures and evidence of auditing operations with special mandate, applied and analytical research in the Financial Supervisory Office in light of the international audit standard 4400, submitted to the board of trustees of the Arab Institute of Chartered Accountants, which is part of the requirements for obtaining a legal accounting certificate, 2013, p. 13.
15. inancial Supervisory Office, Accounting and Supervisory Standards Board, 1995, Article 2.
16. Tamimi, Nazim Shaalan, International Accounting Audit and The Iraqi Environment Compliance and Application Requirements (Comparative Study), Al-Qadissiya Journal of Administrative and Economic Sciences, Volume 18 Issue 2 of 2016 p. 191 192.