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The responsibility of the external auditor towards social auditing: An applied study in the Dar oils factory (Babel - Medhatiya)

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Summary

The research aims to define the external auditor's responsibility for social auditing, as well as to defining the ideas, techniques, and indicators that underpin audits, as well as shedding light on the laws and legislation that control social areas and the outside auditor's responsibilities for them. The researchers employed descriptive technical data analysis to investigate the impact of the external auditor's function on the group audit. The amount of work required rose as a result of this inspection. The researchers came to a number of results, the most important of which is the necessity to establish the groundwork and expose the performance outcomes needed to assess the efficiency of social welfare programs for product lines, as well as the need to integrate the findings. To determine the degree and scope of their social contribution, financial reports should include social performance. The relevance of exposing performance outcomes and lay the foundations for assessing the efficacy of social welfare programs and the internal integration of business units, as well as the need to include performance outcomes in financial statements, is one of the most important research ideas. The researcher proposed that external commitment to professional conduct norms be developed in order to ensure that they perform audit audit cadres by incorporating them in training courses and ensuring that they complete their tasks as required - and that an international standard be issued or a declaration of the external auditor's role in auditing areas or social activities, which comprises the intellectual and practical framework for external audit.

First: the research methodology

1- The problem of searching

The research problem can be addressed through the following questions:-

- Are there enough indicators for the external auditor in the units to follow for social auditing?
- Is it necessary for economic units to assess their social performance in terms of social welfare, product or service quality, and environmental stewardship?
- Is there a clear international standard establishing the external auditor's obligation for social auditing?

2- Research is really important.

The value of social auditing in monitoring social performance helps to improve and enhance efficiency, effectiveness, and economy indicators in the sphere of social expenditure and its consequences on society and the environment. The significance of oils in society also adds to their rise in relevance based on research

3-Objectives of the study

The goal of the study is to:

A- Defining the responsibility of the external auditor towards social auditing.
B- Identifying the principles, procedures, and indicators on which the audit is based social.
C- Emphasizing the importance of social legislation and laws, as well as the external auditor's role in them.

W- Highlighting the role of the external auditor in providing information that helps management The units focus on issues that benefit the community, which contributes to improving the reputation of the unit in the eyes of information users.

4-Research Hypotheses

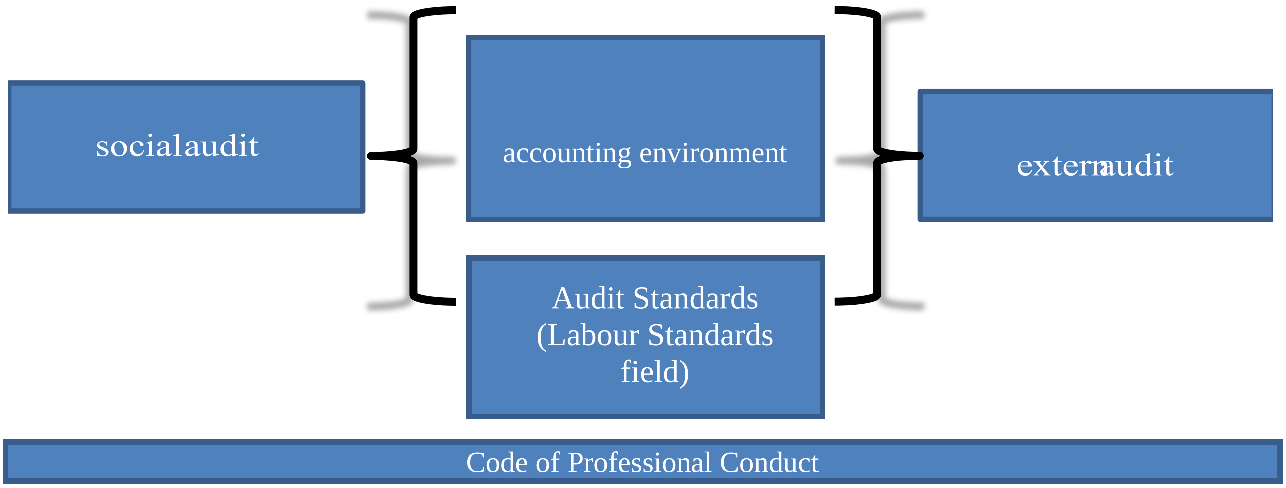
The research is based on a main hypothesis, which is that social audit is important and necessary because it provides positive results and information that serves the economic unit and society, and for its contribution to raising the efficiency of human resources performance and achieving social welfare.

5-Research community and sample

This research was carried out in the Dar Oil Factory in Babylon - Al-Mathtah, and this laboratory represents.

The first is in the province of Babylon and produces Al-Dar oil and Al-Ittihad sugar.

6- Research plan



Second: previous studies

1-Study (2019) jassen **ahnun &lateef abud& salman kaseem**

Study with my title Social responsibility of auditorIn this study, the researchers tried to focus on the auditor's social responsibility and focus on the comprehensive perspective and behaviors that are important to be followed by economic units at all levels. The study showed that auditing is important to build its strategy by focusing on the positive behaviors of all administrative levels in relation to the social responsibility of the auditor.

2-a study. **(2000) Donald Siegel and Abigail Williams.**
The relationship between social responsibility and financial performance is investigated in this study. The researchers highlighted a number of research findings connected to the unit's social responsibility and financial performance.
Despite the fact that the majority of research supports the existence of a positive relationship between social responsibility and financial performance, The researchers attempted to demonstrate that this positive link is deceptive due to inaccuracies in sorting out the relationship between the assessment indicators for social responsibility and financial success dimensions. They attempted to demonstrate, using a standard model, that social responsibility had no effect on financial success when adequately quantified, taking into consideration the interrelationships between its aspects unilaterally and performance. They have bolstered this by showing the link between human resources and training research and development as a key facet of social responsibility and financial performance.

Third: The External Auditor and the Code of Professional

1st Procedure: The External Auditor

The external auditor is an independent third party who reviews the unit's financial status and the accuracy of its final accounts presentation of business performance for the relevant financial period (Abdullah, 2004: 35). The appointment order or prevalent traditions, accepted auditing standards, and what is required by regulations and laws determine the external auditor's duty. The work of the external auditor is confined to testing audit with no extension that is not necessitated by circumstances, and it is conducted at irregular intervals throughout the year or once a year (Al-Alousi, 2003: 57).

Through the above definitions, the researcher knows the external auditor is a person who audits the economic units must report on their financial and administrative status with the rules and directions that these units obey.

The auditors and the ultimate financial control bodies in Iraq are the bodies that perform the external audit. The external auditor's rights and responsibilities have been outlined by the legislature in order for the auditor to conduct his or her job to the best of his or her ability. The auditor has the following rights:

1- Access: The auditor has the ability to examine all of the unit's books, records, and papers when auditing its accounts (Al-Alusi, 2003: 140).
2- Data and clarification requests: The auditor has the authority to seek any data or clarifications that he deems relevant. It is vital to assist him in carrying out his responsibilities, and the board of directors must do so. (Abdullah, 2004: 161).
3- Determining when the unit's property and obligations should be inventoried in order to verify that data representation is fair. Unification's financial reality (Jaber, 2004: 99).
4- The right to attend general assembly meetings and to receive a copy of all shareholder notices so that they are aware of the content of these notifications.
5- The right to attend the meeting where the decision to dismiss him will be discussed: The The auditor is entitled to be present at the meeting where the decision to dismiss him will be discussed.
Arbitrary because if he does not discuss it, it will hurt his reputation (Thomas et al., 1996: 78).

6- The power to hold the General Assembly is granted under certain conditions the external auditor the ability to convene the General Assembly.If he is discovered in his capacity as a shareholder's agent, the general assembly of shareholders.
7- The The auditor has the right to refrain from expressing an opinion on the financial statements if he does not obtain the data that he considers necessary to carry out his work, or if the clarifications are insufficient to carry out his work, or if he commits numerous errors or maintains irregular books and records. (Thomas and others: 1996: 78).

The external auditor's rights have been highlighted by the Iraqi legislature, and the auditor must be allowed these rights when doing his job. In exchange for these privileges, the auditor has responsibilities, the most important of which are:

1- Following the profession's principles: this is self-evident, as the laws require it in terms of taking the professional oath before practicing his profession (Jaber, 2004: 100).

2- Taking the essential professional precautions during the auditing process, such as gathering sufficient evidence and picking the appropriate samples to communicate his view (Thomas and others, 1996: 79).

3- Preparing an annual report: The auditor presents a written report to the general assembly on the state of the unit and its budget (Jaber, 2004: 100).

4- Supervising the correctness of the procedures for forming the economic unit, as well as the development of its activity and auditing its accounts (Abdullah, 2004: 165).

5- Attending a meeting of the General Assembly (Al-Alusi, 2003: 145).

6- Reporting any violations of the law or the unit system to the Chairman of the Board of Directors and the Registrar of Companies. It is his responsibility to send a report to the General Assembly in the event of major infractions (Thomas et al., 1996: 79).

These duties that have been stipulated and emphasized add responsibility to the external auditor to carry out the work assigned to him to the fullest extent.

4-Professional etiquette and conduct guidelines

Professional etiquette and norms are divided into five categories: 144 (Al-Sabban and Ali, 2002).

Independence, objectivity, and integrity: It refers to the auditor's ability to provide an opinion on the unit's financial statements while remaining independent.

- Technical ability and standards: This means that the auditor should decline audits If he is unable to do it while adhering to technical and accounting norms while avoiding future predictions.

Customers' responsibilities include: This has to do with The relationship between the auditor and his clients, as well as their continuous faith in him.

Responsibilities to colleagues: The auditor is accountable to his colleagues in the profession and must conduct himself in a professional manner when dealing with them.

- Responsibilities and other work: This section covers things like breaches and defective works, Advertising, committees, competing and conflicting functions, the form and name of the audit firm, and the foregoing points can all be used to conclude that the external auditor's ethical and professional conduct requires him to maintain independence and integrity, as well as transparency and transparency. Accountable to the appropriate parties by providing information that aids in decision-making.

Fourth: The external auditor's responsibilities

Because he is liable for any errors in his work, the external auditor must take adequate professional care. Professional integrity demands the auditor to practice his trade with care, precision, and efficiency (Othman, 1999: 46).

The following are the many types of obligations that an auditor has when practicing his or her profession:

1- Criminal liability: Determining the auditor's criminal responsibility is critical for preserving the profession's dignity and sustaining the trust of audit beneficiaries (Hebron, 2006: 23).
2- Civil liability: any of the parties may suffer material or moral harm as a result of the external auditor's actions.

3- Parties who utilize the financial statements were tampered with as a result of his or her negligence, and the penalty is to reimburse the party who relied on the auditor's opinion. (Hebron, 2006:23).

4- Professional discipline: Auditing is a highly valued profession. The auditor is expected to be sophisticated in his behaviors and job, as well as to respect his profession. Any procedure he performs must be done with the utmost professionalism. He must analyze the accounts and gather any further information he considers relevant, as well as provide clarification in his report.

- The auditor's obligation to consumers includes protecting data confidentiality and not contracting with customers on the basis of remuneration contingent on achieving agreed-upon results (Al-Alousi, 2003: 151).
- The auditor's responsibilities to his colleagues includes not making recommendations to the auditors of his colleague's office without first alerting his colleague, and only appointing them after informing his colleague (Abdullah, 2004: 57).

The auditor's responsibility to society: Due to the importance of their function in society, auditors must follow the laws and principles that regulate their professional behavior. The audit profession has become tied to the interests of society in general (Rekan, 1997: 20).

Fifth: Economic units' social responsibilities

1- Social accountability

It is a mix of adherence to regulations and laws, as well as the unit's knowledge of its responsibility to society and its stakeholders, in order to strike a balance between economic goals (its obligation to owners) and social goals (its responsibility to stakeholders) (Al-Tuwaijri, 1988: 36).

There is a significant disconnect between what society expects of these apartments and what their owners have intended. Lavesores believes that by improving mutual trust between commercial organizations and society, as well as increasing the transparency of economic units' activity, this gap can be bridged.

As a result, the economic unit's social obligation is nothing more than reconciling the unit's goals with its responsibility to the community through activities that contribute to the community's progress and prosperity.

2- Social responsibility's dimensions and significance:

Table (1) specifies the three primary elements of social responsibility, each with its own set of goals, and their relative importance.

Table 1 shows the dimensions and goals of social responsibility.

Dimensions	its objectives
The economic	limension, fair competition, monopoly prevention, consumer protection, and adherence to the norms Technology, benefiting society from technical advancement and the services it can bring, and employing technology to address societal and environmental damage

Dimensio n La	v Consumer protection regulations are followed, and there is no trafficking in dangerous chemicals of any type. Children's health and culture are protected. Consumer protection against forged and counterfeit materials Environmental protection and pollution prevention of water, air, and soil After-consumption product disposal Resource conservation and development Discrimination on the basis of race, gender, or religion is prohibited. Improving working conditions and discouraging juvenile and young people from working Workplace injuries are being reduced, retirement and social security plans are being followed through on, and the labor of women and the disabled is being taken into account.
The ethical dime	Nsion Consideration of ethical issues of consumption and application of ethical standards, In compliance with the principles of equal employment opportunities, human rights, norms, and societal values, and opposition to drugs and unethical practices.

Source (Al-Azzawi, 2009: 28)

Commitment to these aspects reaps numerous benefits for economic units, including (improving their image in society and consolidating the positive appearance of their customers, workers and members of society in general). 27) (2009:

The value of social responsibility can be summed up in the enhancements it brings to the work environment in business units, as well as the spread of cooperation and interdependence among the various parties. It also serves as an effective response to changes in society's needs and its transition to social needs, as well as the realization of a part of the individual and group's potential (Abdul Rahman, 1997: 198).

3- Societal accountability components

Internal elements of social responsibility and external parties who are interested in the unit of economic activities, and they are (owners, employees, consumers, suppliers, rivals, society, the environment, and the government) , and each of parties has goals it aims to fulfill.

Sixth: Audit and social welfare

1- Social welfare: The term "social welfare" refers to a rise in income that is sustained throughout time.

Materials consumption, education, health, environmental protection, equal opportunity, and knowledge are examples of standards of living, which are considerations related to meeting the needs of current generations in the best possible way without jeopardizing future generations' rights and focusing on the essentials. Health, nutrition, education, culture, housing, transportation, and equality are all necessities (AlUqabi, 2000: 17).

2- Social audit: a comprehensive review of social and environmental policies and contributions.

The economic unit's goal is to determine the extent to which it meets and exceeds its own performance standards, as well as to measure the extent of its progress and achievement of its set goals, as well as to assist in the identification of measures of success and raising the level of its strategic goals (Allam, 1991: 46).

The social the audit is a continuous and continuous process of examining the events within the unit to discover the strengths and weaknesses using a general methodology and diagnosis thereof in order to make recommendations to address the weaknesses and enhance the strengths as it determines the extent of the unit's ability to control the community. Through the process of professional examination to express opinions about the participation of the human element and diagnosis of strategic social performance.Social auditing's significance and goals

A - The Necessity of Social Auditing: The following points demonstrate the importance of social auditing: (http://www.org/accountability/)

1- A way for enhancing economic units' social performance.

2- A strategy for evaluating an economic unit's social impact and moral behavior in connection to its stakeholder objectives.

3- Evaluating and compiling reports in the same way that typical financial audits are done, but with social consequences (Al-Tamimi, 2006: 58).

4- It assists the unit in implicitly supervising, directing, and improving social performance. It must have a clear, quantifiable participatory that allows it to provide a performance report and social accomplishments.

5-It enables the audience of to have an impact on the unit's performance and conduct, as well as its future policies (node) and happiness (2007: 9).

6-Adding value in terms of social, environmental, cultural aspects **www.acc4arab.com**

7- Assert a high level of trustworthiness on publicly accessible social media listings that may be audited by an impartial party (Al-Samarrai, 2005: 50).

b- As for the objectives of social auditing, they're: www.accounting.net

1. Ensuring that the Social Performance List's data and information are precise and accurate in light of the criterion Putting everything together and expressing an opinion on the degree of social performance via the auditor's report on the social performance list.
2. Examining social performance and ensuring that financial accounts and reports are properly disclosed The appropriateness of social responsibility in reflecting the extent to which the economic unit carries out its social responsibilities.
3. Creating a comprehensive report on the outcomes of social action that includes reliable data that the community's beneficiaries can rely on.

4. Verifying the units' adherence to approved social activity rules, regulations, standards, and specifications (Al-Gawhar, 1999: 95).

5. Evaluating the economic unit's social performance, as well as the effectiveness of social programs and the system of control over these programs (Al-Tamimi, 2002: 71).

6. Gaining a deeper grasp of how the unit functions and strives to fulfill its ideals and the audience's goals, as well as creating Its business is changing, improving, and developing (Al-Oqdah and Saada, 2007: 8)

It's also critical to increase reliance on social lists and reports, as well as to encourage Interest in socially relevant activities, with the goal of integrating financial, administrative, and social activities, as well as the ability to assess the unit's success in terms of social performance.

4 - Types of social audit

- Performance audit: A performance audit is a type of control that determines the strengths and weaknesses of a company's various financial, administrative, technical, social, and environmental activities by comparing actual performance to pre-determined plans and standards, and then proposes the necessary solutions to overcome these failures in order to achieve the required performance. The National Association of Accountants (NAA), the American Accountants Association (AAA), and the American Institute of Certified Public Accountants (AICPA) have all conducted research emphasize the importance of disclosing social performance and laying the groundwork for monitoring the effectiveness of social initiatives and business unit social performance. To determine the level of their social contributions and their relationship to the environment, they use Social Performance Indicators (Social Performance Indicators 2003).

- Administrative and legal compliance, integrity and correctness of management, financial systems, control systems, and administrative control are all examined during a compliance audit (Al-Halafi, 2008: 11). 5- Auditing Principles: The following auditing standards are among them:

1- Social Audit Standards

To perform his duties with high quality and accuracy in the results represented in his report, and to understand the impact this has on many parties who rely on the external auditor's work because he is experienced and impartial, the external auditor needs basic ingredients and what is known as auditing standards, which the American Institute of Certified Public Accountants is the first to work on. In 1954, a publication called "Admittedly Auditing Standards" was published (Abdullah, 2004: 75).

Auditing standards are fundamental principles in auditing that aid the auditor in analyzing his work to ensure that his professional performance is in line with the standards that are commonly acknowledged among the profession's members. Performance of auditors (Al-Alusi, 2003: 94).

The audit standards are a set of guidelines that the auditor must follow when evaluating the quality of the auditing means, or when evaluating the quality of performance and the audit process' objectives in professional qualification, field work, and writing the final report, with the goal of making the audit profession a self-contained entity (Thomas et al., 1996: 19). The numerous publications in the field of social auditing did not care about setting standards for this sort of audit, and neither did the numerous writings in the field of social auditing. This necessitates the search for standards that are suitable with this industry (Al-Tamimi, 2002: 110).

The following are the audit criteria, including the most important criteria suitable with the nature of social auditing:

B - Fieldwork requirements

There are three standards in this category, all of which are connected to the auditing process:

1- Supervision and planning: Sound planning must be reversible to ensure optimum job progress.
   It gives proper structure in the auditor's office and among the owners who work for it for the audit assignment. The bigger the number of owners, the more important it is to accurately identify authority and responsibilities, as well as to ensure that each audit is carried out under the supervision of the auditor (Abdullah, 2004: 79).

2-Internal control system analysis: the auditor analyzes and evaluates the current internal control system to identify the level of its dependability and the appropriate scope of the necessary tests that will be performed as part of the audit processes (Al-Alousi, 2003: 95).

The evidence and presumptions that the auditor collects or gets are referred to as adequate, adequate, and efficient (Abdullah, 2004: 80).

C -Criteria for writing the report: There are four criteria in total:

1- The report must state whether or not the financial statements were produced and presented in accordance with accounting principles and procedures.

2- The degree to which the unit adheres to certain accounting principles and standards consistently.

3- The financial statements must accurately reflect the financial situation and the outcome of the activity; otherwise, the report must include the required clarifications.

4- Expressing an opinion on the financial statements as a whole should be included in the report (Al-Sabban and Ali, 2002: 84).

Because the auditor's report contains the final auditor's opinion to the users of the financial statements, it must be formally complete in accordance with the model that he usually follows in the audit profession and fulfill the objective aspects by providing all of the necessary information for such a report in a clear manner.

Seventh: Social Audit Requirements: including: (Al-Alousi, 2003: 95)

The success of the social audit process, as well as the realization of the goal that concentrates the attention of people involved in it, necessitates the fulfillment of a few basic conditions, including:

1- Environmental and societal laws and regulations, as well as international and local standards.
2- Social indicators that assist the social auditor in identifying strengths and flaws, which will be shown later.

1- The unit management understands the value of social auditing.
2- The existence of professionals with the necessary knowledge and expertise, as well as independence and impartiality, to conduct the audit. Caffeine.
3- The existence of a system of accounting for social responsibility1 and monitoring social costs2, as well as social performance requirements, so that the auditor can give his neutral professional opinion (Al-Samarrai, 2005: 52).
4- Determining the management philosophy of the unit's social responsibility and setting goals that are consistent with that philosophy in order to design a social work program to fulfill the goals (Essence, 1999:95).
5- The existence of a social goals plan in the form of broad or specific objectives.
6-The establishment of a precise organizational framework, including inventory and organization

7-The sub-units in charge of social activities necessitate careful examination of job descriptions at all levels, making the task of social performance auditing easier.

8- The availability of a functional information system that makes data on social programs from the auditor social more accessible.

9- The existence of a multidisciplinary team that comprises computer, chemistry, and environmental domains, as well as medical and engineering (Al-Tamimi, 2002: 128)

Environmental issues are becoming increasingly important to a growing number of units, and they may have a big influence. It is the responsibility of management to disclose these matters, which requires compliance with the unit’s environmental policy and the provision of an environmental information system, and requires the presence of multidisciplinary persons qualified to carry out the environmental audit, which is based on At the request of the administration and for internal benefit purposes (International Standard on Auditing No. 1010 of (Accountants Manual 2001).

The researcher believes that it is necessary to implement laws related to the environment and society, such as the Public Health Law No. 89 of 1981 AD and its amendments based on Article 2 and Article 71 thereof, and the Financial Supervision Bureau Law No. 6 of 1990 AD, should be implemented because it It includes articles that stipulate punishment for anyone who causes environmental pollution and damage to society, and the standard of environmental considerations in the financial statements, as well as amending laws in line with social goals, as it requires amending penalties to be consistent with the radical changes in the business environment, and the researcher reviews those laws within the applied aspect of research .

Eighth: Procedures and Steps for Conducting a Social Audit

1- Defining social activities, often known as "areas of social performance," as these activities are split into www.acc4arab.com.

- Activities that belong to the fields of external social and environmental performance and include protecting the environment from noise, pollution and industrial waste and improving the aesthetic appearance of the environment.

- Protecting the environment from noise, pollution, and industrial waste, as well as improving the aesthetic look of the environment, are examples of activities that fall under the category of external social and environmental performance.

- Controlling quality standards, assuring product safety from damage, and providing data on the product's date of manufacture and validity, as well as how to use it and its negative impacts, are all examples of activities in the sphere of social performance associated to the product or service.

2- After determining the social activities of the economic unit, the social auditor conducts a preliminary and general survey to obtain information on the nature of the work of the economic unit subject to social performance control and the nature of the environment in which it operates from various sources, including interviews, field examination and the unit's basic documents (Al-Tamimi, 2005: 141).

3- Examining and evaluating the internal social control system in the unit. This helps the auditor to carry out his work, identify the strengths and weaknesses of this system, and verify the correctness of the system's procedures and the extent of the response of the administrative body to this system.
Identify the system's strengths and weaknesses, as well as the correctness of the system's procedures and the degree of the administrative body's response to this system, in his work.

4- Examine the economic unit's social responsibility policy and the extent to which it considers the interests of others. The level to which different parties in society are interested in social priorities and consider social factors while making decisions, as well as the extent to which the unit is committed to the appropriate legislation and social rules (Al-Samarrai, 2005: 54)

5- Examining and evaluating the adequacy and effectiveness of social programs and activities through the number of programs and activities carried out by the unit, the amount of resources expended on them and the number of individuals benefiting from them so that the auditor can identify the aspects of waste and inefficient use of those resources and diagnose defects or shortcomings in the implementation of programs (Al-Samarrai, 2005: 55).

6- Preparing the social audit report, which includes information on the social activities of the unit under audit and is completed at the end of the audit process (www. Social Audit. com).

The social performance audit report is either presented separately and independently from the financial audit report, or the auditor expresses his judgment on the economic unit's social performance in the financial audit report. Preferably, a separate report should be prepared from the financial audit report (Al-Tamimi, 2002: 165).

There are two types of social audit reports:
The first / a report that is unrestrained, unrestricted, or unreserved (Juma, 2005: 311)
It is issued in the absence of restrictions on the scope of the examination carried out by the auditor of social activities and programs, as well as in the absence of criticism or observations on the reports of social activity with regard to the extent to which these reports and lists express the truthfulness and clarity of the social performance of the unit (Muhammad and Abdel-Majid, 1992: 351)
When the scope of the audit of social activities and programs is limited, such as when the unit or entity subject to the audit refuses to inform the auditor of technical studies or fails to assist him in surveying the unit's staff about their benefits from social programs, or when the auditor discovers environmental violations that are in violation of laws and systems, the auditor issues this report. The social report, in my opinion, can be issued in any form of the report specified by the American Institute of Certified Public Accountants.

Ninth: The social report can be provided in any form of the report specified by the American Institute of Certified Public Accountants, according to the social indicators used in auditing social performance opinions.

Social indicators are a type of goal-setting instrument that assesses social well-being. Social indicators are more descriptive than quantitative, particularly when it comes to the value of benefits obtained from social activities, which represent performance, and they vary depending on the nature of units, their aims, and activities (Al-Tamimi, 2002: 146), and social indicators are those that quantify the impact of unit performance on societal well-being (Al-Gawhar, 1999: 57).

The researcher can produce social indicators based on the three factors or axes at his disposal (the working staff of the unit, society and the environment, and the product or service).

First, Owners of economic units should be aware of the following indicators:

It includes the following elements, which are required by the economic unit's owners: (Al-Ghaliby and Al-Ghaliby are two names for the same person.)

It includes the following elements, which are required by the economic unit's owners:

Amri (2007, p. 219)

1- Training and development: The provision of training and development opportunities for its cadres by the economic unit and the development of plans and programs that contribute to raising their competencies and productivity.

2- Transportation services: It shows the extent to which the transportation services are provided and their suitability in providing comfort to the beneficiaries.

3- Housing services and a nursery for children: It shows the provision of housing services for working staff and a nursery for their children.

4- Medical care and life insurance, and provision of occupational safety procedures that show the extent of the unit's interest in this.

5- Food services: The extent of providing food services to the staff is measured.

6- Social and sports services: These recreational programs are measured by the unit by providing a social club and taking recreational trips.

7- Determining salaries, bonuses, incentives, subsidies, advances and financial support in accordance with the rules, laws and fair administrative procedures.These indicators are crucial for the external auditor to determine training and other health and educational service improvement goals.

Second / indicators related to society and the environment, including:

1- The unit's contribution to hospitals, roads, schools and kindergartens, factories, and shopping malls.

2- The unit's commitment to growing local output and assisting charitable organizations and societies financially. 3- The unit's contribution to the community in terms of providing public service, reducing unemployment, and hiring disabled community people to work in the unit.

3- The environmental suitability of the economic unit's site in terms of preventing environmental and noise pollution, as well as the procedures of the unit

4- To remove garbage and gaseous emitters from the environment.

5-The amount to which the unit has contributed to the improvement of the environment's aesthetic form and the development of the geographical area in which it is located.

6-The extent to which the unit uses trash recycling procedures, as well as activities committed to environmental preservation.

Focusing on the unit's contributions to medical services and environmental development is important in order to obtain local support.

Third / Product and Service Indicators:

These are indicators that show how much the unit contributes to meeting the consumer's basic needs and offering a good product and service at a reasonable price.

From the preceding, it is apparent that the external auditor and the economic unit must use social indicators when conducting the social audit..

Increasing social welfare, increasing its image and social prestige, and the amount to which economic units follow social laws, legislation, and regulations. Disclosure of the economic unit's social performance in terms of numbers, indications, and relationships between two variables, among other things, which aids strategic decisionmakers in developing appropriate plans, addressing weaknesses, and enhancing strengths, and requires senior management to balance the costs of those social contributions.

Tenth: Social Audit Al-Dar Oil Factory (Babylon - Medhatiya)

1- A historical summary of the factory Al-Dar Oil Factory was established in Babel - Al-Matahiyah District in the year 2013

2 - Examining and analyzing financial data in order to extract social indicators

The financial statements for the plant for the years 2017, 2018, and 2019 are addressed in this section, and social indicators are extracted.

1- Social services:

These recreational activities are measured by the unit's provision of a social club and recreational trips, as well as inside the formations that the personnel working in, including the general plant staff for oil production, contribute, as the factory pays an amount of (65437000) dinars per month as a subscription and financing it without the staff benefiting from it or providing entertainment programs, and Researchers believe that the amount is excessive and that it should be used in more places. To contribute to improving worker and public satisfaction with work and to establish awareness, development, and entertainment programs, the factory spent $461000 in 2016 on a worker entertainment program and public awareness, and $471000 in 2017 on the account of supporting the environment and the national product, which is the recreational activity. A total of $5,450,000 was disbursed to the advertising account in 2018 to minimize pollution, reduce energy consumption, and promote environmental projects.

2- Salary, bonuses, incentives, subsidies, advances, financial support, and the laboratory's disposition are all factors to consider.

Salaries, bonuses, incentives, and overtime earnings are paid in accordance with rules, legislation, and administrative procedures, as stated in Table (5). Subsidies, advances, and financial support were not included in the financial records because they were based on instructions to quit working.

Environmental and Social Domains:

These areas concern the plant's contribution to environmental protection and improvement, including limiting pollution from gaseous emissions from chimneys and turbines, as well as noise, soil, and river pollution, and the extent of their contribution to improving the aesthetic form of the environment and developing the geographical area in which it is located through conservation programs. In terms of the environment and the application of laboratory waste recycling procedures, the researcher can explain the industrial gases emitted as a result of oil production as follows:

1- Carbon monoxide is created when hydrocarbons are burned incompletely. Due to its union with hemoglobin (Hb), it causes a decrease in the carrying capacity of oxygen in the blood, which affects people in cases of death or asphyxia when exposed to a high concentration of it. Checks on the environment for power plants 4 Which the laboratory did not implement during the study's time frame.

2- Nitrogen oxides: This gas is produced at high temperatures and has an environmental limit of (m3/300mg).

3- Sulfur dioxide (2SO): This gas is created by burning raw materials or compounds that include sulfur, and its environmental limitation is (m3/ 1000mg).

4- Sulfur trioxide: (m3/50mg) is the environmental limitation for this gas.

Field inspections revealed that the incomplete combustion of thermal power plants, which results in these industrial gaseous emissions from chimneys, could not be regulated.

Noise levels in the obstetric unit and nearby housing units are increased by generating stations. For on-site detection, the Water Treatment and Environment Department collaborates with environmental committees,as the environmental examination of the discharged materials is carried out according to the specified standards and the reduction of raw materials waste through the use of leakage and separation systems and the adoption of an equation (BH) and the acidity function. Each station has laboratory equipment that contributes to the number of necessary tests. The generation stations use petroleum, gas, oils and greases, the amounts of which are shown in the following table:

Table (2) Amounts of raw materials used by the plant to produce oils

Raw material type	2016- dinars	2017- dinars	2018 -dinars
Raw materials (pla	ts) 809973757	302658968	377658961
Chemical materials	88768970	97785385	865784435
Fuels, oils and scarcity	357739760	489813679	677624893

Table of numbers researcher

As for the stock of raw materials, its ratio to the total stock can be shown in the following table:

Table (9): the ratio of the stock of raw materials to the total stock

	2016 -dinars	2017- dinars	2018- dinars
raw materials stock	7889212270	.2868969482	21036696634
total stock	11811688254	59003953982	327481867811
The ratio	73.46	57.13	64.82

Table of numbers researcher

As a result of the high balance of the stock of raw materials and the growth in the volume of factory purchases of raw materials, the greatest ratio of raw material stock to total stock was (64.82) in the year (2018).

The factory's contribution to providing services to hospitals, roads, schools and kindergartens, factories, commercial areas, promoting local output, and offering financial support to organizations and charitable societies is minimal. (3) The number of disabled persons employed in the factory, as well as their pay.

Table 3 shows the number of disabled people and the subsidies they get.

	2016 2017		2018
	15th		
number of disabled	209	375	437
The salaries paid to them are dinars	243	354	413

Table of numbers researcher

It is clear that the lab's contribution is weak in employing people with special needs and that this did not cost the lab high salaries, as a result of the procedures and conditions that require the safety of applicants for employment according to the nature and activity of the work, and that the number is limited and limited to administrative and service services. The researcher believes that the lab contributes to providing its services to the community by caring for the disabled and employing them in a manner that suits their physical abilities..

4- A paradigm for social auditing that has been proposed (in general).

A pre-prepared plan, which is one of the prerequisites of the social audit, as well as a program that displays the audit techniques, the sample size, and the auditor's name, are required to implement the process of auditing the economic units' social and environmental activities.

From what was provided during the research, both theoretical and practical, with the goal of confirming or refuting the assumptions that the research was founded on, as indicated by:

1- The social audit is significant and required because it produces positive outcomes and information that benefit the economic unit and society, as well as because it contributes to improving human resource performance and achieving social welfare.

2- The external auditor is in charge of assessing and analyzing the social performance of the company.

The importance of social auditing was demonstrated during the second topic of the third chapter, based on the fact that the fundamental developments that occurred in the economic units and the change of their objectives from achieving profit, competitive advantage, market control, leadership in production and design to achieving goals with social concepts and applying the concept of accounting for social responsibility, as well as On the role that business units play in economic activity on the one hand, and social activity on the other hand, on the basis that they have rights and obligations towards society and that they enjoy the benefits of its natural, material and human resources. Social audit contributes to improving the performance of human resources and achieving job satisfaction by providing requirements important for social welfare, providing occupational safety requirements for workers, and maintaining a sound environment.

With regard to the responsibility of the external auditor to carry out the audit and evaluation of social performance, and through the international standard for auditing No. 1010, which discussed environmental considerations exclusively and obligated the units to disclose them to be reviewed by multidisciplinary and qualified persons to carry out the environmental audit without the obligation of social activities. Paragraph 32 of it (that the auditor is not responsible and cannot be held responsible for preventing non-compliance with environmental laws and regulations) Being beyond the professional skills of the auditor, and through the presentation of laws, legislation and regulations, it was found that they did not discuss the responsibility of the external auditor for social activities.

Eleventh: Conclusions

1- One of the most significant tools for the country's economic and financial revival is auditing. The auditor is a professional who works in the field of auditing.

The auditor will be asked whether he neglects the issue of accuracy and skill in the audit process if he is not regarded responsible for the work he has been assigned.

No worldwide or national standard exists that focuses on the intellectual and theoretical basis of external auditing.

To help identify areas and activities of social auditing.

2-Because the external auditor is accountable to parties and they hold the auditor accountable to them, it can be classed. There are three additional responsibilities for the auditor: customers, coworkers, and society as a whole.
3- Social responsibility is a social contract between the economic unit and society, based on the fact that they have a tight link, and it has three major dimensions: economic, moral, and political.

legal as well as commitment

4-There are three sorts of social duty: economic responsibility, pattern responsibility, and individual responsibility. The socioeconomic is the third category.

5- The significance of exposing social performance and creating the groundwork for evaluating program effectiveness

The social and social performance of business units, as well as the requirement to incorporate the results of social performance in financial reports in order to determine the amount of their social contribution and their link to the environment.

6-A social audit is a continuous and dynamic process of reviewing occurrences inside a unit to find strengths and weaknesses using a methodology and a general diagnostic to provide suggestions to solve deficiencies and strengthen strengths. Social indicators are used to indicate trends, variables, and social constants, as well as the extent of relationships and change rates, both high and low.

7- The factory's internal organization did not define responsibility for social activities.

The social aspect, or the structure of the work of departments and their personnel, taking into consideration social factors, because the financial and administrative aspects of the organization were prioritized over the social aspects

Twelfth: Recommendations Developing external audit cadres by including them in training courses and ensuring

Their commitment to the rules of professional conduct when performing their duties in order to ensure that they perform the audit tasks as required of them.

Issuing an international or national standard with a declaration that contains the intellectual and practical framework for external audits.

The external auditor's role in auditing specific areas or social activities.

The responsibility of the external auditor in auditing areas or social activities.

drafting the rules of professional conduct to determine the responsibility of the external auditor before all parties

In a manner that is appropriate to the dramatic changes and developments that the audit profession and those who practice it are confronting, and not to violate them and follow them according to the audit process's planned processes.

Disclosing social responsibility and creating the groundwork for evaluating program effectiveness

Social and social performance of business units in accordance with the definition of social responsibility, as well as the need to include the results of social performance of the units in financial reports in order to determine the extent of their social contribution and their connection to the environment.

Considering social activities within the factory's internal system and reformulating roles and obligations in accordance with social responsibility considerations in accordance with the three categories of social responsibility of external audit.

We advise higher-level administrations to identify acceptable methods to reduce pollution of all kinds while taking procedures into account. Environmental protection from industrial gaseous emissions is achieved through the development of pollution-control systems and the application of international quality and environmental standards.

Extending the external auditor's obligations to encompass social responsibility and selecting methods

It is necessary to conduct the social and financial audits concurrently in order to aid in the preparation financial reports based on the conclusions of the social audit

It is critical for the lab's finance department to create special records for social responsibility through social responsibility accounting, prepare appropriate reports in those areas, and inventory costs and social benefits, which will be audited by the lab's internal audit department based on the tasks, duties, and responsibilities that fall on the shoulders of Departments in the organizational structure, for example.

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