The Effect of Auditing Risks on the Efficiency of the Accounting Information (A Case Study in the Iraqi Trading Banks)

Bushra Ibrahim Kawther[1], Shireen azeez mohammad[2], Neshtman Hasan Fattah[3]

[1]*Assistant Lecturer: College of Administration and Economics, University of Kirkuk, Iraq*
bushraibrahim488@yahoo.com
[2]*Accounting Tachnical Department, Northern Tachnical University , Kirkuk Tachnical Istitute, Iraq . Email :*
Shireen.aziz@ntu.edu.iq
[3]*University of Sulimani College of Commerce, Department of Financail and Banking Science, Iraq . Email :*
neshtman.fattah@univsul.edu.iq

Abstract

Auditing risks are considered one of the most important obstacles that auditing profession can face due to the existence of many difficulties and challenges that may impede the work of the auditor and make him unable to perform his work efficiently and effectively. The current study aims to identify the effect of auditing risks on the efficiency of accounting information.

The study found a significant correlation between the auditing risk variable and the efficiency of the accounting information variable. There was a significant correlation between the inherent risk variable and the efficiency of the accounting information variable, and the role of the accounting information in reducing the risks variable. There was also a significant correlation between the detection risk variable and the efficiency of the accounting information variable, and between the detection risk variable and the role of accounting information in reducing risks variable. Moreover, there was a significant correlation between the control risks variable and the efficiency of the accounting information variable, and between the control risks and the role of accounting information in reducing risks variable.

The study concludes with a set of recommendations including the need to work to provide appropriate coordination between the internal and external auditing operations in Iraqi banks in order to achieve the best possible risk management and control and to work to increase interest in disclosure of the nature of the risks that the bank encounters and that affect its financial and economic performance. Moreover, working on providing accurate accounting information taken from the financial reports to avoid and reduce the levels of risk that the bank may encounter, as well as using modern methods by which the auditing risk can be assessed, including the control risks, and detection risks in order to reduce the levels of risk that Iraqi banks face**.**

Keywords: Auditing risk - The efficiency of accounting information

Introduction

The profession of auditing is considered one of the professions that have significant value where auditor can observe the accounts through knowing all the financial and trading operations that happen in the corporates and economic bodies whether among the corporates or within the same corporate itself. Auditing deals with all the factors that affect the corporate or economic body whether they are economic, legal, political, or technical ones.

Auditing risks are one of the most common problems that encounter auditing due to the professional and legal responsibilities that the auditor bears in order to do his job in the best way possible to achieve the goals and interests of the users of the financial accounts from shareholders and those interested in these accounts who trust the quality and efficiency of information that they gain from the financial accounts of the corporate and economic bodies and organizations.

Problem of the study

Auditing risks are considered one of the most important obstacles that encounter auditing due to the appearance of many difficulties and challenges that can hinder the work of the auditor and make him unable to do his job with the required efficiency and effectiveness. These risks affect, to a large extent, the efficiency of the accounting information that can be acquired from financial reports that the auditor issues which express the current situation of the economic institution and help to make decisions regarding the interests of shareholders.

The problem of the current study is situated in its attempt to identify the effect of auditing risks on the efficiency of the accounting information through studying a number of Iraqi trading (commercial) banks.

Objectives of the study

The study aims at achieving its main objective represented in identifying the auditing risks effect on the efficiency of accounting information through achieving a set of sub-objectives as follows:

1-   Exploring the terms and concepts of the study (research) of the topic.
2-   Identifying the effect of the different auditing risks (inherent risks of auditing, detection risks, and control risks) on the efficiency of accounting information.
3-   Identifying the effect of the different auditing risks (inherent risks of auditing, detection risks, and control risks) on the role of the accounting information in reducing risks.

Hypotheses of the study

In order to achieve the main objective of the study, the researcher has set forth the following hypotheses:

1-   There is a correlation of a significant value between the inherent risks of auditing and the efficiency of the accounting information.
2-   There is a correlation of a significant value between the inherent risks of auditing and the role of accounting information on reducing the auditing risks.

3-   There is a correlation of a significant value between the detection risks of auditing and the efficiency of accounting information.
4-   There is a correlation of a significant value between the detection risks of auditing and the role of accounting information on reducing the auditing risks.
5-   There is a correlation of a significant value between the control risks of auditing and the efficiency of accounting information.
6-   There is a correlation of a significant value between the control risks of auditing and the role of accounting information on reducing the auditing risks.
7-   There is a correlation of a significant value between the auditing risks and the efficiency accounting information.

Significance of the study

The significance of this study is situated in addressing the topic of auditing risks and their effect on the efficiency of accounting information which has not been explored by the Arabic studies and research based on the financial reports of the institutions and economic corporates

Methodology of the study

The researcher used the analytical descriptive approach in this study that depends on studying the phenomenon under focus and its main concepts and terms as well as using the analytical statistical approach through the statistical methods and ways to analyze the study data that were obtained by the study questionnaire forms which were distributed to the study sample to reach the findings, draw conclusions, and suggest recommendations accordingly to achieve the study objectives.

The concepts and terms of the study
The concept of auditing
It refers to procedures and operations that are applied to acquire the information related to the economic decisions and evaluating it objectively in order to help reach findings to inform the beneficiaries.(Abu-Musa,2001)
It is an organized process to collect pieces of evidence related to economic activities in an objective way to compare the achieved findings

in relation to the available criteria and delivering the information to the beneficiaries. (Hadi,20)

The concept of auditing risks

They are the risks where the auditor does an inaccurate opinion when the financial data include basic mistakes. These risks include three types: inherent risks of auditing, control risks, and detection risks (.Ibrahim , 2013)

The inherent risks of auditing: They are the risks that are inherent in the element or activity. They are the general risks that the corporate encounters and can be prevented without using the internal control system, such as inflation, and economic crises, etc. [4](Moath,2001)

The control risks of auditing

They happen due to the inability of the internal control systems to prevent or find out mistakes that are likely to occur. The auditor studies the designed internal control system, its efficiency, and weaknesses, does the conformation tests in order to ensure abiding by using the practical application of the internal control system, and thus the conformation tests that the reviewer determines are more efficient in evaluating the internal control systems. [1](Stella,2009)

The detection risks of auditing

They happen due to the inability of the basic tests and the analytical procedures to detect the risks and drifts. They can happen whether these risks and drifts are individual or as a set on the level of a specific activity or item. [2](Arens,2012)

The concept of accounting information efficiency

There is no definite definition of the concept of accounting information efficiency. Yet, there is a set of features that accounting information must have in order to be efficient. One feature is that the information needs to be produced by a comprehensive accounting system which applies the accounting criteria with accuracy and efficiency in parallel with a good and effective governance system and there must be an appropriate investment environment where companies can work in a an efficient financial market with the availability of accurate and honest financial data and reports away from prejudice and misrepresentation. [3](Fahmi,2014)

The features of efficient accounting information

Efficient accounting information must have certain features in order to be useful in making decisions. These features are:

- Understandability: it means that the information is comprehensible and can be understood by the user without ambiguity and contradiction.
- Relevance: it must be appropriate and meet the needs of the decision maker to help reach decisions and achieve the best possible results.[1](Tibi,2014)
- Measurability: it means that the information can be measured.
- Reliability: it means that the information is accurate and right and does not have mistakes.
- Neutrality: it means the information is not prejudiced and there is no discrimination among the financial statements.
- Carefulness: it must be careful with a necessity to being relevant and trustful.
- Comparability: it means that it can help the users to make comparisons among the financial statements in the current or previous years within the same corporate or among corporates.
- Verifiability: it must express and show the accounting information with honesty about the current economic circumstances and can help users to make sure of the reliability of the information. [2](AbdulRazak,2014)

The study sample

The study sample consists of a number of those who work in auditing in some Iraqi trading banks. They responded to a questionnaire form designed for the current study. There were follow-up interviews with some of them.

The researcher used the judgmental or purposive sampling which is a sample that participants are selected on purpose because they have certain characteristics in them that help to serve the purpose of the study. This type of sampling is set forth to obtain the required data available in certain participants and not in others. The researcher used this sampling because it helps to increase the accuracy of the estimations and reduce the error margins. Likert scale of three point parameter was used as: 3

agree, 2 agree to some extent (neutral), 1 disagree; to answer the questionnaire questions.

The number of the distributed questionnaire forms was 60 ones, and the number of the correctly completed forms was 50 ones.

The statistical means

1- **The mean:** the mean is calculated mathematically by adding up the sum of elements and then dividing them by the number of the elements.

$$\bar{x} = \frac{1}{n} \sum_{i=1}^{n} x_i = \frac{1}{n}(x_1 + \cdots + x_n).$$

2- **The relative weight:** the relative weight of a statement is calculated by identifying the relative significance of the axis related to it by re-ordering the statements according to their significance:

The following equation is used to calculate the relative weight

$$\frac{1R_3 + 2\,R_2 + 3R_1}{3n}$$

Where

R_1 = the number of repetitions (agree or available)

R_2 = the number of repetitions (agree to some extent/neutral)

R_3 = the number of repetitions (disagree, or unavailable)

N = the number of the participants in the sample

3- Cronbach's alpha: it is the measure of internal consistency. The reliability and trustworthiness of the study means that the questionnaire questions really measure what the study aims to measure, with clarity of the questionnaire's questions and the included items for the participants that are valid for the statistical analysis.

The consistency of the study means that each item in the questionnaire is consistent with the axis it belongs to. The consistency is the ability of performance to give the same results once the measurement was repeated on the same person under the same circumstances.

The researcher used the correlation calculations for each of the items in the questionnaire by using the Cronbach's alpha. The value of Cronbach's alpha that exceeds 0.8 is considered an evidence for the consistency of the used tool.

4- **The correlation test:** it is to identify the extent to which there is a correlation among the study variables with each other.

The analysis of the questionnaire

1-The first axis (the efficiency of the accounting information):

Table 1.

The relative weight	The mean	Agree		Neutral		Disagree		Statement	No.
		%	Repetition	%	Repetition	%	Repetition		
0.77	2.30	50	25	30	15	20	10	The accounting information in the bank is designed as simple and understandable to all users	1

0.78	2.34	56	28	22	11	22	11	The accounting information system in the bank is developed based on updates and the needs of the accounting information	2
0.78	2.34	54	27	26	13	20	10	The information resulted from the accounting information system covers all aspects and activities related to the bank	3
0.80	2.40	58	29	24	12	18	9	The accounting information system fits the nature of your job	4
0.81	2.42	62	31	18	9	20	10	There are procedures and measures to improve the quality of outcomes of the accounting information system	5
0.79	2.38	58	29	22	11	20	10	Your needs of the information are met in a trusted and timely way	6
0.79	2.38	60	30	18	9	22	11	The outcomes of the accounting system meet your needs to make decisions on your level	7

When arranging the statements of the axis (the efficiency of the accounting information) in Table 1 based on the relative significance (the value of the highest relative weight) from the perspective of the participants in this study, it is noted that the most significant statement was (there are procedures and measures to improve the quality of outcomes of the accounting information system) with a relative weight 0.81. The second statement was (The accounting information system fits the nature of your job)

with a relative weight 0.80. The third statements were (Your needs of the information are met in a trusted and timely way, and The outcomes of the accounting system meet your needs to make decisions on your level) with a relative weight 0.79. The fourth were (the information system in the bank is developed based on updates and the needs of the accounting information, and The information resulted from the accounting information system covers all aspects and activities related to the bank) with a relative

weight 0.78. The final statement was (The accounting information in the bank is designed as simple and understandable to all users) with a relative weight 0.77.

Table 2. The levels of the efficiency of the accounting information axis

percent	level
20.28	low
22.86	medium
56.86	high
100	total

Table 2 shows that the efficiency of the accounting information axis was divided into three levels (high- medium, low) and it shows that 56.86% of the study sample falls within the high level, 22.86% falls within the medium, and 20.28% falls within the low level. These results show an increase of the efficiency of the accounting information in the Iraqi banks from the study sample perspective.

Table 3. The consistency/stability coefficient of the efficiency of the accounting information axis

The number of the elements	Cronbach's alpha coefficient
7	0.858

The Cronbach's alpha coefficient for the elements of the axis was calculated and we note that that the value of the stability coefficient Alpha is 0.858 which is considered a strong stability coefficient and affirms the validity and correlation among the axis elements.

2-The second axis (the role of the accounting information in reducing risks)

Table 4

The relative weight	The mean	agree		Neutral		Disagree		Statement	No.
		%	Repetition	%	Repetition	%	Repetition		
0.73	2.2	46	23	28	14	26	13	The systems of accounting information applied help to find a continuous process to evaluate risks	1
0.75	2.26	50	25	26	13	24	12	The accounting information systems applied contributes to finding out a remote information	2

										network to help the continuous flow of information about the bank	
0.77	2.32	54	27		24	12		22	11	The outcomes of the accounting information systems are considered the most important resources used to determine risks	3
0.78	2.34	54	27		26	13		20	10	The outcomes of the accounting information systems enable the management of the bank to judge the efficiency of the used policy	4
0.75	2.26	52	26		22	11		26	13	The accounting information systems provide data that the bank management need to measure the risks	5
0.77	2.32	54	27		24	12		22	11	The accounting information systems provide the management with the required data to manage the risks that the bank encounters	6
0.77	2.32	56	28		20	10		24	12	The accounting information systems help the management to rationalize investments in a way that reduces the accompanying risks to the lowest level possible	7

When arranging the statements of the axis (the role of the accounting information in reducing risks) in table 4, it is noted that the most relative significance (the highest relative weight) from the study sample perspective was for the statement (The outcomes of the accounting information systems enable the management of the bank to judge the efficiency of the used policy) with a relative weight 0.78. The second were (The accounting information systems applied contributes to finding out a remote information network to help the continuous flow of information about the bank, The accounting information systems provide the management

with the required data to manage the risks that the bank encounters, and The accounting information systems help the management to rationalize investments in a way that reduces the accompanying risks to the lowest level possible) with a relative weight 0.77. The third were (The accounting information systems applied contributes to finding out a remote information network to help the continuous flow of information about the bank, and The accounting information systems provide data that the bank management need to measure the risks) with a relative weight 0.75. The last one was (The systems of accounting information applied help to find a continuous process to evaluate risks) with a relative weight 0.73.

Table 5. The levels of the role of the accounting information in reducing risks axis

Percent	Level
23.42	low
24.29	Medium
52.29	High
100	Total

Table 5 shows that the axis: the role of the accounting information in reducing risks was divided into three levels (high, medium, low). It shows that 52. 29% of the study sample falls within the high level, 24.29% falls within the medium level, and 23.42% falls within the low level. These results emphasize that the increase in the role that accounting information plays in reducing risks that Iraqi banks may encounter from the perspective of the study sample.

Table 6. The stability coefficient of the elements of the axis: the role of accounting information in reducing risks

The number of elements	Cronbach's alpha coefficient
7 7	0.869

Cronbach's alpha coefficient of the elements was calculated showing that the value of the stability coefficient was 0.869 which is considered a strong coefficient affirming the validity and correlation among the axis elements.

3-The third axis (inherent risks of auditing level)

Table 7.

Relative weight	The mean	Agree		Neutral		Disagree		Statement	No.
		%	Repetition	%	Repetition	%	Repetition		
0.81	2.42	60	30	22	11	18	9	Seasonal activity in the bank contributes to increasing the level of	1

								inherent risks of auditing	
0.75	2.26	50	25	26	13	24	12	Professional experience contributes to determining and reducing the level of the inherent risks of auditing	2
0.76	2.28	50	25	28	14	22	11	Having a good monitoring system helps largely to reducing the level of the inherent risks	3
0.76	2.28	52	26	24	12	24	12	the change in the accounting procedures and measures in the bank helps to anticipate the possible inherent risks	4
0.74	2.22	48	24	26	13	26	13	the size of the bank affects the inherent risks	5
0.78	2.34	56	28	22	11	22	11	the level of the inherent risks change according to the nature of the client	6
0.76	2.28	52	26	24	12	24	12	-the nature of the banking processes and operations affects the inherent risks	7
0.78	2.34	56	28	22	11	22	11	- the clarity of the accounting information affects the level of the inherent risks	8
0.80	2.4	60	30	20	10	20	10	estimating the inherent risks helps to set	9

								forth a plan to execute the process of reviewing the accounting information	

When re-ordering the statements on the axis (levels of the inherent risks of auditing) in table 7 according to importance, it is noted that the most important one (having the highest relative weight value) from the study sample perspective was (Seasonal activity in the bank contributes to increasing the level of inherent risks of auditing) with a relative weight 0.81. The second one was (estimating the inherent risks helps to set forth a plan to execute the process of reviewing the accounting information) with a relative weight 0.80. The third were (the level of the inherent risks change according to the nature of the client, and The clarity of the accounting information affects the level of the inherent risks) with a relative weight 0.78. The fourth were (Having a good monitoring system helps largely to reducing the level of the inherent risks, The change in the accounting procedures and measures in the bank helps to anticipate the possible inherent risks, and The nature of the banking processes and operations affects the inherent risks) with a relative weight 0.76. The fifth was (Professional experience contributes to determining and reducing the level of the inherent risks of auditing.) with a relative weight 0.75. The sixth was (The size of the bank affects the inherent risks) with a relative weight 0.74.

Table 8. The levels of inherent risks of auditing axis

percent	level
22.44	low
23.78	medium
53.78	high
100	total

Table 8 was divided into three levels (high, medium, low) and shows that 53.78% of the study sample perspective falls within the high level, 23.78% falls within the medium level, and 22.44% falls within the low level. These results show the participants' awareness of dealing with the inherent risks of auditing that Iraqi banks may encounter.

Table 9. The stability coefficient of the elements of the axis: the level of inherent risks of auditing

The number of elements		Cronbach's alpha coefficient
9	9	0.863 0.863

The alpha coefficient calculated and the value was 0.863 which is considered a strong stability coefficient affirming the validity and connection among the axis elements.

4-The fourth axis (the level of detection risks of auditing)

Table 10

The relative weight	The mean	Agree		Neutral		Disagree		Statement	No.
		%	Repetition	%	Repetition	%	Repetition		
0.77	2.32	56	28	20	10	24	12	Making sure of using accurate auditing measures by the bank helps to reduce the detection risks	1
0.78	2.34	56	28	22	11	22	11	Putting forth accurate auditing procedures and measures helps to assure the level of the role of detection risks	2
0.79	2.36	56	28	24	12	20	10	The accurate classification of the auditing procedures assures a safe level in reducing detection risks	3
0.75	2.26	50	25	26	13	24	12	Determining the extent of the auditing accurately helps to reduce detection risks	4
0.76	2.28	50	25	28	14	22	11	Comparing the bank data with the activity data of other banks helps to reduce the detection risks	5
0.79	2.36	56	28	24	12	20	10	Auditors' knowledge and skills of the detection risks have an important role in reducing the rate of these risks	6
0.74	2.22	48	24	26	13	26	13	Expressing opinion without	7

								caring for the relative weight element negatively affects detection risks	
0.77	2.32	56	28	20	10	24	12	Auditing experience is considered an important role reducing the attempts of detection fraud	8
0.77	2.32	54	27	24	12	22	11	The acceptable detection risks have inverse relationship with other auditing risks	9

According to the relative significance from the study sample perspective, table 10 shows the highest statements were (The accurate classification of the auditing procedures assures a safe level in reducing detection risks, and Auditors' knowledge and skills of the detection risks have an important role in reducing the rate of these risks) with a relative weight 0.79. The second one was (Putting forth accurate auditing procedures and measures helps to assure the level of the role of detection risks) with a relative weight 0.78. The third was (Making sure of using accurate auditing measures by the bank helps to reduce the detection risks, Auditing experience is considered an important role reducing the attempts of detection fraud, and The acceptable detection risks have inverse relationship with other auditing risks) with a relative weight 0.77. The fourth was (Comparing the bank data with the activity data of other banks helps to reduce the detection risks,) with a relative weight 0.76. The fifth was (4 Determining the extent of the auditing accurately helps to reduce detection risks,) with a relative weight 0.75. The sixth was (Expressing opinion without caring for the relative weight element negatively affects detection risks) with a relative weight 0.74.

Table 11. The levels of the detection risks of auditing axis

percent	level
22.66	low
23.78	medium
53.56	high
100	total

Table 11 shows that detection risks of auditing axis was divided into three levels (high, medium, low), showing that 53.56 falls within the high level as perceived by the study sample participants, 23.78 falls within the medium level, and 22.66 falls within the low level. These results show an increase in the awareness of the study participants in how to deal with the detection risks that the Iraqi banks may encounter.

Table 12. The stability of the coefficient of the elements of the level of detection risks of auditing

The number of the elements	Cronbach's alpha coefficient
9	0.866

The value of the alpha coefficient of the axis elements shows that it is a strong stability coefficient (0.866) and thus affirms the validity and the correlation among the axis elements.

5-The fifth axis (the level of the control risks of auditing)

Table 13

The relative weight	The mean	Agree		Neutral		Disagree		Statements	No.
		%	Repetition	%	Repetition	%	Repetition		
0.77	2.32	54	27	24	12	22	11	The bank uses the planning budgets efficiently and effectively	1
0.75	2.26	50	25	26	13	24	12	The bank uses the standard expenses efficiently and effectively	2
0.75	2.24	48	24	28	14	24	12	The study of movement and time helps in reducing the level of control risks of auditing	3
0.77	2.3	52	26	26	13	22	11	The information provided by the periodical reports helps in reducing the control risks level.	4
0.81	2.42	60	30	22	11	18	9	The measures of guaranteeing the accuracy of the accounting information help in reducing the level of the control risks of auditing	5
0.76	2.28	52	26	24	12	24	12	The level of the control risks is affected by the extent of the	6

									efficiency and effectiveness of the accounting information	
0.80	2.4	60	30		20	10		20	10	The kind of the accounting information systems used affects the level of the control risks	7

From table 13, it can be noted that the most significant statement was (The measures of guaranteeing the accuracy of the accounting information help in reducing the level of the control risks) with a relative weight 0.81. The second one was (The kind of the accounting information systems used affects the level of the control risks of auditing) with a relative weight 0.80. The third were (The bank uses the planning budgets efficiently and effectively, and The information provided by the periodical reports helps in reducing the control risks of auditing level) with a relative weight 0.77. The fourth one was (The level of the control risks is affected by the extent of the efficiency and effectiveness of the accounting information) with a relative weight .76. The fifth were (The bank uses the standard expenses efficiently and effectively, and The study of movement and time helps in reducing the level of control risks) with a relative weight 0.75.

Table 14. The levels of the control risks of auditing axis

Percentage	The level
22.00	low
24.29	Medium
53.71	High
100	total

Table 14 shows that the axis of the control risks was divided into three levels (high, medium, low). It emphasizes that 53.71% of the study sample perspective falls within the high level, 24.29% falls within the medium level, and 22.00% falls within the low level. These results show an increase in the awareness in how to deal with the control risks that the Iraqi banks may encounter

Table 15. Stability coefficient of the element of the level of control risks of auditing

The number of elements	Cronbach's alpha coefficient
7	0.855

The results show that the Cronbach's alpha coefficient value is 0.855 which is a strong coefficient reflecting the validity and correlation among the axis elements.

Testing the study hypotheses

The first hypothesis: There is a correlation of a significant value between the inherent risks of

auditing and the efficiency of the accounting information.

After doing the statistical analysis to test this hypothesis using the correlation coefficients, the following findings were reached:

The efficiency of the accounting information	The variable
**0.988	The inherent risks of auditing

The source: the findings of the statistical analysis using SPSS.22

*significant at 0.05

**significant at 0.01

The previous table shows a significant correlation between the inherent risks of auditing and the efficiency of the accounting information.

The second hypothesis: There is a correlation of a significant value between the inherent risks of auditing and the role of accounting information on reducing the auditing risks.

After testing this hypothesis using the statistical analysis through the correlation coefficients, the following findings were reached:

The role of the accounting information in reducing risks	Variable
**0.996	Inherent risks of auditing

The source: the findings of the statistical analysis using SPSS.22

*significant at 0.05

**significant at 0.01

The previous table show that there is a significant correlation between the inherent risks and the role of the accounting information in reducing risks variable which proves this hypothesis.

The third hypothesis: There is a correlation of a significant value between the detection risks of

auditing and the efficiency of accounting information.

After testing this hypothesis by using the correlation coefficients, the following findings were reached:

The efficiency of the accounting information	Variable
**0.987	Detection risks of auditing

The source: the findings of the statistical analysis using SPSS.22

*significant at 0.05

**significant at 0.01

The previous table show that there is a significant correlation between the detection risks and the efficiency of accounting information variable which proves this hypothesis.

The fourth hypothesis: There is a correlation of a significant value between the detection risks of auditing and the role of accounting information on reducing the auditing risks.

After testing this hypothesis using the statistical analysis using the correlation coefficients, the following findings were reached:

The role of the accounting information in reducing the risks	Variable
**0.996	Detection risks of auditing

The source: the findings of the statistical analysis using SPSS.22

*significant at 0.05

**significant at 0.01

The previous table show that there is a significant correlation between the detection risks and the role of the accounting information in reducing risks variable which proves this hypothesis.

The fifth hypothesis: There is a correlation of a significant value between the control risks of auditing and the efficiency of accounting information.

After testing this hypothesis by using the correlation coefficients, the following findings were reached:

The efficiency of the accounting information	Variable
**0.981	Control risks of auditing

The source: the findings of the statistical analysis using SPSS.22

*significant at 0.05

**significant at 0.01

The previous table show that there is a significant correlation between the control risks and the efficiency of the accounting information variable which proves this hypothesis.

The sixth hypothesis: There is a correlation of a significant value between the control risks of auditing and the role of accounting information on reducing the auditing risks.

After testing the hypothesis using the correlation coefficients, the following findings were reached:

The role of the accounting information in reducing risks	Variable
**0.997	Control risks of auditing

The source: the findings of the statistical analysis using SPSS.22

*significant at 0.05

**significant at 0.01

The previous table show that there is a significant correlation between the control risks and the role of the accounting information in reducing risks variable which proves this hypothesis.

The seventh hypothesis: There is a correlation of a significant value between the auditing risks and the efficiency accounting information.

After testing the hypothesis, the following findings were reached:

The efficiency of the accounting information	Variable
**0.997	Auditing risks

The source: the findings of the statistical analysis using SPSS.22

*significant at 0.05

**significant at 0.01

The previous table show that there is a significant correlation between the auditing risks and the efficiency of accounting information variable which proves this hypothesis.

The findings

1-   There is a correlation of a significant value between the auditing risks variable and the efficiency of the accounting information variable.
2-   There is a correlation of a significant value between the inherent risks of auditing variable and the efficiency of accounting information variable.
3-   There is a correlation of a significant value between the inherent risks of auditing variable and the role of the accounting information in reducing risks variable.
4-   There is a correlation of a significant value between the detection risks of auditing and the efficiency of accounting information.
5-   There is a correlation of a significant value between the detection risks of auditing and the role of accounting information on reducing the auditing risks variable.
6-   There is a correlation of a significant value between the control risks of auditing and the efficiency of accounting information variable.
7-   There is a correlation of a significant value between the control risks of auditing and the role of accounting information on reducing risks variable.

Recommendations:

1-   Working on providing appropriate coordination between the processes of internal and external auditing in the Iraqi banks in order to achieve the best management possible of risk and control (monitoring) and also working on increasing interest in disclosing the nature of the risks that affect the bank and its financial and economic performance.

2-   Paying attention to the accuracy of the accounting information taken from the financial reports in order to avoid and reduce the levels of risks that the bank may encounter.

3-   Using modern methods to evaluate auditing and its different risks to help to reduce the levels of risks that the Iraqi banks may encounter.

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