

# Planning the audit of financial statements by Federal board of supreme audit of Iraq (FBSA) in the terms of ISA( 300) requirements.

**Dr: Mseer Saber –Instructor of advanced cost accounting in the department of accounting, Imam Ja'afar Al-Sadiq University/ mseer.sabir@sadiq.edu.iq**

P: ISSN : 1813-6729

E : ISSN : 2707-1359

<https://doi.org/10.31272/jae.i135.1179>

مقبول للنشر بتاريخ: 2022/8/18

تاريخ أستلام البحث : 2022/7/16

## Abstract

planning an audit of financial statements is an important subject and its importance comes from the fact that it requires some details that make the auditing more successful. The optimal details of planning are contained in ISA (300) requirements so the study mainly aims to ascertain that the auditors of the federal board of supreme audit of Iraq comply with the requirements of ISA (300) when they plan the auditing of financial statements. To achieve the main objective of the study, a sample of (95) the auditors of federal board of supreme audit of Iraq were surveyed through a questionnaire consisting of (42) paragraphs concerned with five sections of requirements. The replies to the questionnaire were collected and processed by using statistical measures for analyzing the data and testing the hypotheses. The study is structured in six axes including an introduction, a conceptual framework of the study, empirical study hypothesis tests, conclusions, and references.

**Keywords:** ISA (300). FBSA, audit planning. financial statements



مجلة الإدارة والاقتصاد

مجلد 47 / العدد 135 / كانون الاول / 2022

الصفحات : 271 - 285

## **1. Introduction**

Planning the audit is considered an essential part of the auditing process, it is a tool through which the auditors can do their job, get the results of auditing, assess of the evidence, and express their professional opinion on the validity and integrity of the financial statements at the end of the year to the management of an entity. The purpose of planning may be defeated if the audit may not follow the carefully thought out audit plan.

The requirements of the ISA (300) ( Planning the auditing of financial statements) are essential elements for developing and practicing an audit plan, as they represent a guide to developing an effective strategy that includes a detailed plan which helps the auditors in performing the procedures of auditing, identifying the potential problems, finding the solution in appropriate time, implementing audit duty within a time scheduled program and submitting the audit report to the entity. The study deals with questions and answers concerned with the application of requirements of ISA (300) on planning the audit of financial statements by auditors of (FBSA).

### **a. Study Importance**

The importance of the study comes from the fact that planning of audit is a critical task for auditors of Iraq to carry out an effective audit exercise that will lead to an audit report that presents a correct and impartial view of the organization's financial statements. However, carrying out this exercise requires some details of planning that make the auditing more successful. The optimal details of planning are contained in ISA (300) which is issued by (ISAAB) and used by auditing bodies.

### **b. Study question:**

The problem of the study can be shown by the question, do (whether FBSA) auditors comply with the requirements of ISA(300)?

### **c. Study Objectives**

The study aims to ascertain the fact that (FSAB) auditors comply with the requirements of ISA (300)planning an audit of financial statements as shown below.

- First requirement: Involvement of key engagement team members of auditing in the planning of the audit.
- Second requirement: Preliminary engagement activities of auditing.
- Third requirement: planning activities of auditing.
- Fourth requirement: documenting the audit process.
- Fifth requirement: additional considerations of initial auditing operations.

### **d. Study Structure**

The study is structured in six axes, the first axis includes the study hypotheses that are supposed to be tested, whereas the second axis presents the constitutional base for audit works of (FBSA), instructions and procedures that should be followed by auditors, and its compliance with requirements of ISA (300). The third axis is devoted to the empirical study and statistical analysis of questionnaire data. The hypothesis tests and results of the empirical study are presented in the fourth axis, whereas, conclusions and references are presented in the fifth and sixth axes respectively.

### **e. Previous Studies**

## **Planning the audit of financial statements by the Federal board of supreme audit of Iraq (FBSA) in the terms of ISA( 300) requirements.**

---

Some of the researchers have contributed to this aspect through their published research, some of them are presented as below.

**1- Masoudi Omar:** (2018-2019). The study showed that:

- There is a relationship between planning the audit process and improving the quality of professional performance.
- Planning the audit process is an essential procedure that consists of a set of practical steps that the auditor follows for obtaining an impartial technical opinion on the financial statements. (Masoudi Omar p232)

**2- Shaaban Ibrahim Nesman:** (2014). The study findings were the following:

- a. Firms of an audit are obligated to, involve key members of the audit planning process, to carry out the initial activities of the audit process by performing procedures in relation to the audit concerning the continuity of the relationship with the client, and are committed to doing documenting planning process in accordance with the ISA No (300). ( Shaaban Ibrahim Nesman p93)

**3- Nakhon Phanom:** (2019) the results of the study mentioned that audit planning has an important impact on audit quality while audit quality is a critical influence on audit performance. Audit specialization plays a significant role in determining sustainable audit outcomes in the long term and future perspectives. ( Nakhon Phanom p45)

**4- Khalil Abu Saleem (2018).some of its conclusions are shown below:**

- There is a statistically significant impact of the requirements of ISA (300) on the quality of the audit report.
- Conducting planning activities have had an impact on the quality of the audit report, while additional considerations included in the initial auditing were in last place. (Khalil Abu Saleem) p35)

**5- Asmaa Haddad(2015-2016) .The study has concluded the following.**

- International Standards on Auditing are only guidelines for auditors
- Auditing the financial statements with help of international auditing standards when can raise the levels of professional performance, improve the quality of financial information and increase its credibility
- The quality of the reports depends on the optimal use of international auditing standards. (Asmaa Haddad p84)

### **f. Study hypothesis**

#### **Main hypothesis:**

**H0:** (FBSA) auditors don't significantly comply with the all requirements of ISA((300

**H1:** (FBSA) auditors significantly comply with the all requirements of ISA((300).

#### **Sub hypotheses**

**H01:** (FBSA) auditors don't significantly comply with the first requirement of ISA (300) (Involve members of the audit team.

**H02:** (FBSA) auditors don't significantly comply with the second requirement of ISA (300) (Preliminary Engagement Activities.

**H03:** (FBSA) auditors don't significantly comply with the third requirement of ISA 300 (planning activities of auditing.

**H04:** (FBSA) auditors don't significantly comply with the fourth requirement of ISA (300) (Documenting the audit planning process.

## **Planning the audit of financial statements by the Federal board of supreme audit of Iraq (FBSA) in the terms of ISA( 300) requirements.**

---

**H05:** (FBSA) auditors don't significantly comply with the fifth requirement of ISA (300)(Additional considerations in initial audits ).

### **2-planning the audit by (FBSA) auditors in light of ISA ( 300)**

#### **2-1: Scope of (FBSA) audit planning:**

Federal Board for Supreme Audit of Iraq(FBSA) issued an audit manual no.6 (Planning and supervising the audit) containing procedures that represent the minimum level of what is needed by auditors for the frequent planning process. The manual provides guidelines to plan the audit of financial statements and to give a clear image of what will be performed by the auditors. These procedures can be expanded for the first time audits.

**The (FBSA) considers the Planning is an integral, coherent ongoing process that takes place prior to, and during the audit period which includes:**

- a. Setting a scope of planning according to the size of the audit process, the previous expertise, and the nature of the entity (*Audit manual no.6* para 1-6).
- b. Developing a general framework and detailed procedures for the expected audit work
- c. Making sure that the efforts of technical members and assistants are sufficient and efficiently utilized.
- d. Identify the audit fields and obtain information to be used in planning promptly.
- e. Understanding the matters influential to the activity nature, changes in the accounting system, applicable laws and regulations which are influential to the entity's activity. (*Audit manual no.6 para14*). The mentioned Vision of (FBSA) on the planning of audit is consistent with the vision of ISA (300) in regards to the requirement of planning activities (para 7-11)

#### **2-2: Responsibility for planning:**

According to audit manual no.6, the auditors are responsible for planning the audit process and have the right to discuss audit procedures with the entity so as to develop an effective audit plan. The auditors should define procedures for selecting the samples, consider the required time for executing the audit and consider the participation of other auditors or experts in the audit task. (*Audit manual no.6 para 8-10*). The above-mentioned is consistent with the scope of ISA (300)

#### **2-3: Accomplishment of audit objective:**

To have the audit objective accomplished, the auditors should understand the engagement form for audit and the consequent legal responsibilities. Update the knowledge about the enterprise and its activity and internal control and identify the level of materiality. (*Audit manual no.6 para9*)

#### **2-4: development of audit plan:**

Auditors are required to understand the nature of the entity's works, and the changes that have taken place since the previous audit, the accounting system, and the internal control. Auditors should identify audit risks, develop a plan to obtain sufficient and relevant evidence by using economically efficient and effective audit procedures, identifies the number and required levels of assistants to accomplish the audit task, and establish coordination among them (*Audit manual no.6 para 1,2,3*) as required by ISA(300) (The Role and Timing of Planning).

#### **2-5: Documentation of the audit general plan:**

## **Planning the audit of financial statements by the Federal board of supreme audit of Iraq (FBSA) in the terms of ISA( 300) requirements.**

Auditors should develop and document the audit general plan in which they depict the audit process and how it is executed. The auditors should document a written audit program in which all procedures are necessary for executing the audit plan. (*Audit manual no.6* para 15).

The program includes objectives of audit, procedures and regulations to enable the auditors to realize the sound execution of work within the set period. From the above, it appears that the documentation of the audit plan according to manual no (6) of (FBSA) meet the documentation requirement of ISA (300).

### **2-6: Supervision:**

Auditors should survey the entity prior to developing the fieldwork plan as it is an effective method to identify the relevant audit fields which are considered as fifth requirement of ISA (300).

Supervisors should consult Assistants, other auditors, and experts in all audit stages, so as to ensure the achievement of the audit objectives and the reasonable satisfaction of the auditor with the efficiency of their performance.

Supervisors develop the preliminary plan in case of experienced assistants and the details are left to assistants to deal with while in case of inexperienced assistants they have to manage lots of details. In this respect, (FBSA) auditors comply with the first requirement of ISA (300).

### **3: Empirical study:**

#### **3-1. Brief Presentation of the study tools:**

The questionnaire was used for collecting data about the study which consist of (42) paragraphs (questions) that cover the most important points of the ISA (300). To ascertain that the used tool (questionnaire) is valid, the questionnaire was presented to specialist experts in the field of accounting and auditing and got validity approval, and was finally translated into English by the researcher. The sample size was (130) persons working in (FSBA) (95) of them replied and resent the forms fill of the required information.

The questionnaire was divided into two parts the first part was devoted to the personal information's of the respondents represented in gender, age, academic level, experience and occupation.

The second part includes the study questionnaire, which consists of five sections, each one of them represents questions concern elements of one requirement of ISA(300).

#### **3-2: Processing sample data**

Researcher used (Likert five points scale) to quantitate and evaluate the answers of (95) employees in (FBSA) and statistically processed the data for purpose of statistical analysis and testing the hypotheses of the study as shown in the following table:

Rank	don't totally agree	do not agree	Neutral	Agree	Totally agree
Value	1	2	3	4	5

#### **3-2-1 Validity and reliability of the questionnaire**

##### **a. Testing the tool's validity**

**Planning the audit of financial statements by the Federal board of supreme audit of Iraq (FBSA) in the terms of ISA( 300) requirements.**

The researcher used Some statistical measures to compute the indicators of empirical observations of the questionnaire to make sure that (questionnaire answers) are stable, consistent, and reliable.

**b. Testing the tool Stability:**

**(1)- Cronbach's alpha coefficient:** The questionnaire data were used to compute Cronbach's alpha coefficient as a measure of all paragraph validity(Dr. Al-Ali, Ibrahim p29 ).

The value of Cronbach's coefficient for all paragraphs amounts to (0.987) which is a high value and indicates the stability of the questionnaire as follows:

K	values	$(X - M)^2$	$si^2$
42	15420	29576	25.665

$$si^2 = 25.665 \quad , \quad k:42 \quad ,$$

k: number of paragraphs (questions) ,

$(X - M)^2$  : square of differences between value of each paragraph and the mean value of all paragraphs

$si^2$  :sum total of variance values of the paragraphs (questions)

$$s^2 = \sum_{k=0}^{n=42} \frac{(X - M)^2}{n - 1} = \sum_{k=0}^{n=42} \frac{29576}{41} = 721.365$$

$$\text{Cronbach's alpha coefficient } \alpha = \frac{k}{k-1} \left( 1 - \frac{\sum_{i=1}^k si^2}{s^2} \right)$$

$$\alpha = \frac{42}{42-1} \left( 1 - \frac{25.665}{721.365} \right) = 0.987$$

**(2)-Pearson correlation coefficient:**

The researcher used the Pearson correlation coefficient to compute reliability coefficient ,by dividing the received questionnaire forms into two equal parts ((odd and even questions ) and processing the data to get the correlation coefficient between two parts as follows:

Odd Numbers of questions			Even Numbers questions			$(Y_j - y)(X_i - x)$
Items	$X_i$	$(X_i - x)^2$	Items	$Y_j$	$(Y_j - y)^2$	
Values	7696	11929	Values	7724	17629.228	12515.615
$S^2_x$	568.047		$S^2_y$	839.487		
$S_x$	23.833		$S_y$	28.973		

Source: Prepared by the researcher based on questionnaire data

**$X_i$ :** values of odd numbers of questions,  **$Y_j$ :** values of even numbers of questions

$(X_i - x)^2$  : square of differences between value of each paragraph of Odd Numbers and the mean value of all odd numbers paragraphs,

$(Y_j - y)^2$  : square of differences between the value of each paragraph of even numbers and the mean value of all even numbers paragraphs

$S^2_x$  : variance of odd numbers ,  $S_x$  : standard deviation of odd numbers

$S^2_y$  : variance of even numbers ,  $S_y$  : standard deviation of even numbers

$$r_{xy} = \frac{\sum(X - x)(Y - y)}{n. s_x. s_y} = \frac{12515.615}{21 * 23.833 * 28.973} = 0.856$$

The computed value of person coefficient was (0.856) which is relatively high value and accepted to assure that the used tool is stable .

**(3)- Sperman &Brown coefficient(BC)**

The computed value of Sperman &Brown coefficient was (0.922 )which is relatively high value and accepted and indicates the stability of the Questionnaire replies .( Al-Ali, Ibrahim p29 ).

$$BC = \frac{2R}{1+R} = \frac{2(0.856)}{1+0.856} = 0.922$$

**c :Testing the significance of correlation coefficient**

For testing the significance of Pearson correlation coefficient, the researcher used **(t)** test statistic at significance level 0.05 with d.f of (20) as follows:( **Al-Mashadani p428**)

$$t = \frac{r_{xy}\sqrt{n-2}}{\sqrt{1-r^2_{xy}}} = \frac{0.85 \times 4.358}{0.34} = 13.366$$

The calculated **(t)** value amounts to (13.366) which is greater than tabular**(t)**value of (2.845). These figures indicate that there is a statistically significance correlation between the two groups of sample data which refers to Stability of study tool.

**3-2-2: Analysis of Sample data**

**3-2-2-1: Analysis of Personal information**

**a- Sample analysis according to job titles:**

It is clear from the appendix (1) that the position of the head of the audit commission got the highest percentage, which is(52.6%) and the lowest percentage was for the position of head of Audit Department, which amounts to (3.2%).

The ratios of chartered accountant and financial auditor were equal, as they occupied(4.2%) whereas the ratios of the Senior Financial auditor position amounts to (25.3%) ,the position of the audit manager, it occupied percentage of (10.5%).

**b- Sample analysis according to Academic Qualification:**

We note through appendix (1) that the holders of (B.A) constitutes (57.9%) of sample size, which represents the highest percentage, while the lowest percentage was for holders of high diploma of (5.3%). Percentage of (MA) holders occupied (24.2%) and (PhD)holders percentage was(12.6%).The above percentages reflect the sample individuals are well qualified persons.

**c- Sample analysis according to the specialization:** Appendix (2) shows that the accounting had the highest percentage, reaching (52.6%), followed by the Administrative and economic sciences, which forms (24.2%) of the total while the lowest percentage was equal for the Law and other specializations, where the percentage of each of them reached (4.2%) .and chartered accountant occupied percentage of ( 14.8%). The analysis reflects that the sample is specialist individuals.

**d- Sample analysis according to the experience:**

Appendix (2) reflects that (29.4%) of the sample members have years of service that range between (10-15) years, which represents the highest percentage. This indicates that well-experienced employees represent the highest percentage, followed by the percentage of individuals whose years of service range between (15-20) years, which amounts to (26. 3%) and for individuals whose years of service range from (5-10) years, it amounts to (25.3%) and for individuals whose years of service ranged between( 20) years or more, it occupied(19%). Individuals whose

## **Planning the audit of financial statements by the Federal board of supreme audit of Iraq (FBSA) in the terms of ISA( 300) requirements.**

---

service ranges less than (5) years have a percentage of (0 %) which is the lowest ratio.

### **3-2-2-2: Statistical analysis for questionnaire sections:**

- a-** It is noted that Appendix (3) shows the arithmetic mean of all paragraphs concerning the first requirement of ISA(300) was (3.349) which exceeds the theoretical average of (3.00), and indicates that there is a relatively high agreement about the section clauses, .The agreement is increasing around Paragraph (1.c), which states that the chartered accountant or the head of the financial control commission discusses audit plans updates and changes with team members with a coefficient of variation of (0.23) and the second rank was for paragraph (1.d) with (V.C) amounts to (0.28) which states that the chartered accountant, the head of the financial control commission and the senior auditors discuss updates of audit plans and changes with team members .

On this basis, it can be said, in general, auditors of (FBSA) are aware of the necessity of the first requirement of ISA(300)which concerns the Involvement of audit team members in planning the audit of the financial statements.

- b-** The arithmetic mean for all paragraphs of second requirement of ISA (300) occupied amount of ( 3.85) as shown in the appendix (4) which exceeds the theoretical average (3.00), and reflect that there is a relatively high agreement about the section paragraphs, and this agreement is increasing around paragraph No. (2.g) , which takes the first rank and states that( the head of the financial control commission shall re-evaluate the audit team with respect to that they have the necessary competencies and capabilities) with an arithmetic mean of (4.149),standard deviation of (0.664 ) and variation coefficient of (16) respectively .while the lowest degree of agreement was the paragraph no(2.a) which occupied the rank (7) with mean of (3.4) , standard deviation(1.040) ,and variation coefficient of (29.9).

On this basis, it can be said, in general, the heads of the financial control commissions are aware of the necessity of preliminary planning activities upon receipt of the audit order for planning of the audit process, in order to achieve the goal of planning, which is Improving the quality of professional performance.

- c-** Appendix (5) shows that the level of the all over paragraphs of section three ( third requirement of ISA 300-planning activities) was medium, with arithmetic mean of (3.926) and standard deviation of (0.748). The paragraph (3.d) which states (The head of the financial control commission identifies the human resources needed to allocate them to specific audit areas, according to their expertise and level of risk.) came in the first rank with an arithmetic mean of (4.284), standard deviation of (0.646) and has occupied the first rank with a lowest variation coefficient of (15%), while the paragraph(3.f) (The accuracy of a small organization does not require long planning and complex audit procedures) occupied the last rank with a mean amounts to (3.642) which is greater than theoretical mean value (3.00) and standard deviation of (1.018) ,variation coefficient(27.9% ) and the rank (13) . These figures refer to a relatively high agreement of sample questionnaire which reflect that the audit planning of (FBSA) are consistent with third requirement of ISA (300 ) (para A7, A12 ).



- d-** Appendix (6) shows that there is almost an agreement between the opinions of the sample about (fourth requirement of ISA 300 - documentation of the audit planning process). The average of section paragraphs was (4.014) more than the theoretical arithmetic mean (3.00), and the agreement increased, especially at paragraph (4.b) to reach (4.104) which states that (the head of the financial control commission documents the audit plan ) with lowest standard deviation of (0.640) and the lowest ratio for variance coefficient of(0.155) too. Paragraph (4.b) of this section occupied the first rank according to rank scale. These figures refer to a relatively high agreement of questionnaire which reflect the consistency of (FBSA) audit works with requirements of ISA (300 ) (para2).
- e-** It is noted from appendix (7) that there is almost an agreement about all paragraphs concerning section five ( fifth requirement of ISA300 .The average o average of section paragraphs was (3.919) which is more than the theoretical arithmetic mean (3.00), and the agreement increased, especially at paragraph (5.n) to reach (4.336), which states that (the Chairman of the financial control commission reviews the financial statements and the auditor's report before the date of issuance ) with standard deviation of (0.779) and variance coefficient amounts to(17.9%) too. These figures refer to a relatively high agreement of questionnaire which reflect the compliance of (FSAB) audit works with the fifth requirement of ISA (300)(Additional considerations in initial audits) (para2).

#### **4: Hypothesis tests**

The researcher found out the statistical measures of the questionnaire data concerning the sections of requirements of ISA (300) and used them to calculate the (t) values  $t = \frac{x - \mu_0}{S/\sqrt{n}}$  (Al-Ali p4) for testing the main and sub hypothesis of the study to take decisions regarding the study hypothesis as shown below :

- a-** appendix ( 8) shows that the calculated value of statistic (t) for testing main null hypothesis(H0) was ( 20.05.) which exceeds (t) tabular value of (2.000) at a significance level of (Sig=0.05) with a degree of freedom (n-1=41) .The results indicate the statistically significance of all study sections, therefor reject null hypothesis(H0) and accept the alternative hypothesis( H1) which states that (there is a statistically significant compliance of (FBSA) auditors to all requirements of ISA (300).

$$t = \frac{x - \mu_0}{S/\sqrt{n}} = \frac{(367.142 - 285)}{26.536/\sqrt{42}} = 20.05$$

- b-** Statistic (t) value for testing null sub hypothesis ( H01) (There is no statistically significant compliance of (FBSA) auditors to first requirement of ISA (300 ) at a significance level of (0.0 5), with d.f (n-1=4) was (2.185) which is more than its tabular(t) value of (2.132 ) as shown in appendix(8) .Accordingly, null sub hypothesis is rejected and accept the alternative one (H11) which states (There is a statistically significant compliance of (FBSA) auditors to first requirement of ISA (300 ).
- c-** Appendix(8) shows that the calculated (t )value) at a significance level of ( $\alpha =0.05$ ) with d.f (n-1=6) for testing the second null sub hypothesis (H02) which states that (There is no statistically significant compliance of (FBSA) auditors to the second

## **Planning the audit of financial statements by the Federal board of supreme audit of Iraq (FBSA) in the terms of ISA( 300) requirements.**

---

requirement of ISA (300) has reached (9.910) which is greater than the its tabular value of amount (1.943). Accordingly, null sub hypothesis is rejected and accept the alternative hypothesis (**H12**) that says "There is a statistically significant compliance of (**FBSA**) auditors to the second requirement of ISA (300).

- d-** The calculated ( **t** ) value) of testing the third null sub hypothesis (**H03**) which states that there is no statistically significant compliance of (**FBSA**) auditors to the third requirement of ISA(300) reached amount of (22.634) at a significant level of (**Sig=0.05**), with **d.f (n-1=12)** which is more than its Tabular value of (1.792) as apparent in appendix ( 8) . Accordingly, null sub hypothesis is rejected and accept the alternative (**H13**) which states that (there is a statistically significant compliance of (**FBSA**) auditors to the third requirement of ISA(300).
- e-** The calculated (**t value**) of testing the forth null sub hypothesis (**H04**) which states( there is no statistically significant compliance of (**FBSA**) auditors to the fourth requirement of ISA(300)) has reached value of ( 29.769)where as its tabular value (2.132 ) at a significant level of (**Sig=0.05**), with **d.f (n-1=4)**. Accordingly we reject the null sub hypothesis(**H04**) and accept the alternative hypothesis(**H14**) which says (there is a statistically significant compliance of (**FBSA**) auditors to the fourth requirement of ISA(300).
- f.** The calculated (**t value**) of testing the fifth null sub hypothesis (**H05**) which states (there is no statistically significant compliance of (**FSAB**)auditors to the fifth requirement of ISA (300) reached (20.402) at a significance level of (**Sig=0.05**), with **d.f ( n-1=11)** which is more than its Tabular value of (1.746) . Accordingly we reject the null sub hypothesis(**H05**) and accept the alternative hypothesis (**H15**) which says (there is a statistically significant compliance of (**FSAB**)auditors to the fifth requirement of ISA (300)).(see appendix ( 8)

### **5: Conclusions**

- a-**The vision of Federal Board of Supreme Audit for audit planning is consistent with vision of ISA (300) in regard of requirement of Planning Activities (**para 7-11**).
- b-** Documentations of audit plan by (**FBSA**) auditors meet the requirement of documentation in ISA (300).
- c-** All Supervision paragraphs of (**FBSA**) audit manual (**para26-35**) are consistent with requirements of SIA (300) in respects of (Additional Considerations in Initial Audit Engagements) and (Involvement of audit team members in planning the audit requirements).
- d-** Statistics figures show a relatively high agreement about the first requirement (necessity of Involvement of audit team members in planning the audit of the financial statements) .
- e-**The heads of the financial control commissions of (**FBSA**) are aware of the necessity of which is the second requirement of ISA (300) (Initial planning activities for the audit process upon the receipt of the audit order) and the statistics figures show a relatively high agreement about its all paragraphs .
- f-** There is a relatively high agreement about the consistency of with (**FBSA**) audit works with third requirement of ISA (300) .

## **Planning the audit of financial statements by the Federal board of supreme audit of Iraq (FBSA) in the terms of ISA( 300) requirements.**

---

- j-** There is a relatively high agreement of about the consistency of (FSAB) audit works with fourth requirement of ISA(300) .
- h-** The compliance of (FBSA) audit works with the section five (the fifth requirements of ISA (300-Additional considerations in initial audits) (para2) as reflected through statistic indicators appeared in appendix ( 7).
- i-** Reject the null main hypothesis (H0) and accept alternative hypothesis(H1) which states that (there is a statistically significant compliance of (FBSA) auditors to the all requirements of ISA (300).
- j-** Null sub hypothesis(H01) is rejected and alternative sub hypothesis(H11) is accepted which states (There is a statistically significant compliance of (FBSA) auditors to first requirement of ISA (300) ).
- k-** Accepting the second alternative sub hypothesis(H12) that says (There is a statistically significant compliance of (FBSA) auditors to the second requirement of ISA(300).and rejecting the null sub hypothesis(HO2) that recognize the opposite.
- l-** Reject the third null sub hypothesis(HO3) and accept the alternative (H13) which states that there is a statistically significant compliance of (FBSA) auditors to the third requirement of ISA (300).
- m-** There a statistically significant compliance of (FBSA) auditors to the fourth requirement of ISA (300) (Documenting the audit planning process) .
- n-** Reject the null sub hypothesis(HO5) and accept the alternative (H15) which states that there is a statistically significant compliance of (FBSA) auditors plans to the fifth requirement of ISA 300 (Additional considerations in initial audits).

### **6; References**

- 1- Al-Zubaidi, Raghad Munir Farhan, The extent of the Iraqi internal auditors commitment to the international internal auditing standards to restrain cheating and fraud . M.A. dissertation.. college of economics and administration. Karbala university .2017.
- 2- Khalil Abu Saleem, The impact of the requirements of international audit standard No (300): international journal of economics and finance · November 2018.
- 3- 1AASB, handbook of international quality control ,auditing, Review, other assurance, and Related Services Pronouncements ,edition 2018, volume1.
- 4- Ahmed Kerriche, alpha Coefficient: an accurate estimation of the score reliability coefficient , Article · December 2017 - 2018 Blida University (Lounici Ali).
- 5- INTOSAI, General Secretariat , fundamental principles of Performance Auditing-ISSAI 300 –(Austrian Court of Audit). Vienna,Austria, [https://www.psc-intosai.org/data/files/17/C4/9D/31/F78747103F684747E18818A8/2\\_1\\_ISSAI%20300%20Endorsement%20version.pdf](https://www.psc-intosai.org/data/files/17/C4/9D/31/F78747103F684747E18818A8/2_1_ISSAI%20300%20Endorsement%20version.pdf)
- 6- Zealand Auditing and Assurance Standards Board, International standard on auditing ,(New Zeland)300- 2011 :<https://www.xrb.govt.nz/dmsdocument/3709>
  - 7- IA COP, risk assessment in audit planning, a guide for auditors on how best to assess risks when planning audit work - april 2014. PEM-PAL -internal audit community of practice (IA COP),<https://www.pempal.org/sites/pempal>.

## **Planning the audit of financial statements by the Federal board of supreme audit of Iraq (FBSA) in the terms of ISA( 300) requirements.**

8. Rick Hayes, Roger Dassen , Arnold Schilder, Philip Wallage, principals of auditing, ,an introduction to international standards on auditing , second edition, Pearson education limited, 2005.
- 9- Federal board of supreme audit of Iraq, financial audit guide,1990 , Baghdad, Iraq , <https://www.fbsa.gov.iq/en/wiki/view/financial-audit>
- 10- Dr. Abood, Mseer saber . Questionnaire forms for sample of auditors.2022 , Iraq, [https://docs.google.com/spreadsheets/d/1rScNDi7o3S9I3zMaPa\\_5WmAbaKWX10vTYyelzxBhRx0/edit?usp=sharing](https://docs.google.com/spreadsheets/d/1rScNDi7o3S9I3zMaPa_5WmAbaKWX10vTYyelzxBhRx0/edit?usp=sharing)
- 11- Dr Al-Mashadani .Mahmood H. &Amir H.Herm Statistics,.,Baghdad university. Bait Al-hikma , Baghdad, Iraq.1989
- 12-Shaaban Ibrahim Nesman,The extent to which audit firms comply with the requirements of International Auditing Standard No. 300 (Planning to audit financial statements) for the purpose of increasing the effectiveness of professional performance, an applied study on companies Auditing operating in the Gaza Strip, Master's thesis, Faculty of Commerce, Islamic University, Gaza Palestine).
- 13- Dr. Al-Ali Ibrahim Muhammad, How to test simple hypotheses and calculate the probability of the significance P (or Sig), Faculty of Economics, Tishreen University, Syria- <http://dr-alali.com/2018/05/29/%D8>.
- 14- El Sherbati ,Sherine Maher - The reality of auditing profession in Palestine from the point of view of employees in taxation departments- study for Master degree- College of Graduate Studies- Hebron university- palestine 2018.
- 15- Masoudi Omar, The effectiveness of audit planning according to international standards in improving the quality of the auditor's professional performance,Ph.d thesis - Faculty of Economic, Commercial and Management Sciences - Université Ahmed Draia-Adrar- Algeria-2019 <https://dspace.univ-adrar.edu.dz/jspui/bitstream>.
- 16- Marc Eulerich, Christine Georgi, Alexander Schmidt, continuous auditing and risk-based audit planning – [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3330570](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3330570)
- 17- Asmaa Haddad, the importance of international auditing in determining the quality of the external auditor's report, M.A study, Faculty of Economic, Commercial and Management Sciences, Mohamed Khider university-biskra, 2015-2016.
- 18- IFBSA, Planning and supervising the audit, Audit manual no.6, 2002-iraq <https://www.fbsa.gov.iq/en>.
- 19- Anne Burke, Examiner Professional 1 Auditing \_\_ Introduction to Audit Planning, Ireland , <https://www.cpaireland.ie/CPAireland/media/Education-Training/Study%20Support%20Resources/P2%20Aud%20Practice/Relevant%20Articles/introduction-to-audit-planning.pdf>.
- 20- Dr.Kornchai Phornlaphatrachakorn , effects of audit specialization on audit planning, audit quality and audit performance ,Nakhon Phanom University ,<http://www.jap.tbs.tu.ac.th/files/Article/Jap49/Full/Jap49Kornchai.pdf>

### **7- Appendices \*\*\***

#### **Appendix 1: Sample analysis by position ( job titles& Qualification)**

NO	position ( job titles )	NO	%	Qualification	NO	%
1	Head of Audit Department	3	3.2	PHD	12	12.6
2	Audit manager	10	10.5	MA	23	24.2

**Planning the audit of financial statements by the Federal board of supreme audit of Iraq (FBSA) in the terms of ISA( 300) requirements.**

3	Head of audit commission	50	52.6	HIGH DEPLOMA	5	5.3
4	chartered accountant	4	4.2	B.B	55	57.9
5	Senior Financial auditor	24	25.3			
6	Financial auditor	4	4.2			
T		95	100		95	100

**Appendix 2: Sample analysis by service years& Scientific specialization**

NO	years of service	NO	%	Scientific specialization	NO	%
1	Less than 5 years	0	0	chartered a accounting	14	14.8
2	from 5-10	24	25.3	Accounting	50	52.6
3	from 10-15	28	29.4	Eco &Administration	23	24.2
4	from 15-20	25	26.3	Law	4	4.2
5	20 years or more	18	19	Others	4	4.2
T		95	100		95	100

**Appendix 3 ; statistical analysis of first section ( first requirement of ISA 300 -Involvement of audit team members in audit planning )**

Section- paragraph	Value	$\mu i$	$si^2$	$si$	V.C%	Rank
1.a	281	2.957	1.210	1.1	37	5
1.b	276	2.905	1.065	1.031	35	4
1.c	362	3.810	0.773	0.879	23	1
1.d	341	3.589	1.053	1.026	28	2
1.e	331	3.484	1.183	1.087	33	3
<b>Total</b>	<b>1591</b>	<b>16.745</b>	<b>5.284</b>	<b>5.123</b>	<b>156</b>	
<b>Average .mean</b>		<b>3.349</b>	<b>1.056</b>	<b>.023</b>	<b>31.2</b>	

**Appendix 4: statistical analysis of second section ( second requirement of ISA 300 - Initial planning activities )**

Section- paragraph	Value	$\mu i$	$si^2$	$si$	V.C%	Rank
<u>2.a</u>	323	3.4	1.040	1.019	29.9	7
2.b	364	3.831	0.418	0.646	16.8	4
2.c	357	3.757	0.653	0.808	21.5	6
2.d	383	4.031	0.073	0.270	6.6	2
2.e	373	3.926	0.483	0.694	16.7	3
2.f	366	3.852	0.509	0.713	18.5	5
2.g	398	4.149	0.441	0.664	16	1
<b>Total</b>	<b>2564</b>	<b>26.946</b>	<b>3.617</b>	<b>4.814</b>	<b>126</b>	
<b>Average .mean</b>		<b>3.848</b>	<b>0.516</b>	<b>0.687</b>	<b>17.7</b>	

**Appendix 5: statistical analysis of third section ( third requirement of ISA 300 - planning activities)**

Section- paragraph	Value	$\mu i$	$si^2$	$si$	V.C%	Rank
3.a	391	4.115	0.421	0.648	15.7	3
3.b	379	3.989	0.394	0.627	15.7	4
3.c	388	4.041	0.377	0.614	15.1	2
3.d	407	4.284	0.418	0.646	15	1
3.e	377	3.927	0.405	0.636	16.1	5
3.f	346	3.642	1.037	1.018	27.9	13
3.g	365	3.842	0.432	0.657	17.1	7
3.h	371	3.905	0.601	0.772	17.9	8
3.i	366	3.773	0.739	0.859	22.7	11
3.j	359	3.778	0.854	0.924	24.4	12
3.k	361	3.760	0.626	0.791	21	10

**Planning the audit of financial statements by the Federal board of supreme audit of Iraq (FBSA) in the terms of ISA( 300) requirements.**

3.l	381	3.968	0.430	0.655	16.5	6
3.m	386	4.020	0.546	0.738	18.3	9
<b>Total</b>	<b>4877</b>	<b>51.044</b>	<b>7.28</b>	<b>9.585</b>	<b>243.4</b>	
<b>Average .mean</b>		<b>3.926</b>	<b>0.560</b>	<b>0.737</b>	<b>18.723</b>	

**Appendix 6: statistical analysis of fourth section (fourth requirement of ISA 300 - Documentation of the audit planning process.**

Section- paragraph	Value	$\mu i$	$si^2$	$si$	V.C%	Rank
4.a	371	3.864	0.623	0.789	20.4	5
4.b	394	4.104	0.410	0.640	15.5	1
4.c	384	4.042	0.508	0.712	17.6	2
4.d	385	4.052	0.582	0.762	18.8	3
4.e	381	4.010	0.627	0.791	19.7	4
<b>Total</b>	<b>1915</b>	<b>20.072</b>	<b>2.75</b>	<b>3.694</b>	<b>92</b>	
<b>Average .mean</b>		<b>4.014</b>	<b>0.550</b>	<b>0.738</b>	<b>18.4</b>	

**Appendix 7: statistical analysis of fifth section (fifth requirement of ISA 300 - Additional considerations in initial audits**

Section- paragraph	Value	$\mu i$	$si^2$	$si$	V.C%	Rank
5.a	351	3.694	0.641	0.800	21.6	13
5.b	358	3.768	0.590	0.768	20.3	9
5.c	371	3.905	0.456	0.675	17.2	2
5.d	387	4.031	0.452	0.736	18.2	5
5.e	370	3.894	0.674	0.820	21.	11
5.g	367	3.863	0.544	0.737	19	6
5.h	362	3.810	0.580	0.761	19.9	8
5i	378	3.978	0.339	0.582	14.6	1
5.j	367	3.861	0.632	0.794	20.5	10
5.k	375	3.947	0.688	0.829	21	12
5.l	375	3.947	0.595	0.771	19.5	7
5.n	412	4.336	0.608	0.779	17.9	3
<b>Total</b>	<b>4473</b>	<b>47.034</b>	<b>6.799</b>		<b>18.1</b>	<b>4</b>
<b>Average .mean</b>		<b>3.919</b>	<b>0.566</b>			

**Appendix 8: computed statistics for testing study hypothesis**

No of section	Mean	$si^2$	$si$	n	d.f	Cal ti	Tab ti
1	318.2	1153.36	33.961	5	4	2.185	2.132
2	366.285	470.723	21.696	7	6	9.910	1.943
3	375	253.769	15.930	13	12	22.634	1.792
4	383	54.2	7.362	5	4	29.769	2.132
5	372.75	222.020	14.900	12	11	20.402	1.746
<b>All sections</b>	<b>367.142</b>	<b>721.365</b>	<b>26.858</b>	<b>42</b>	<b>41</b>	<b>20.05</b>	<b>2.000</b>

\*\*\*: Source :Prepared by the researcher based on questionnaire data

\*\*\*\*\*

\*\*\*\*\*

\*\*\*\*\*

## التخطيط لتدقيق البيانات المالية من قبل ديوان الرقابة المالية الاتحادي في العراق (FBSA) في ضوء متطلبات معيار التدقيق الدولي (300).

م.د. مسير صبر عبود /جامعة الإمام جعفر الصادق(ع) الاهلية/ مدرس في قسم المحاسبة.  
mseer.sabir@sadiq.edu.iq

### المستخلص

يعتبر تخطيط عملية تدقيق البيانات المالية موضوعاً مهماً وتأتي أهميته من حقيقة أنه يتطلب بعض التفاصيل التي تجعل عملية التدقيق أكثر نجاحاً. وتكمن التفاصيل المثلى لعملية التخطيط في متطلبات معيار التدقيق الدولي رقم(300) . لذا تهدف الدراسة بشكل أساسي إلى التأكد من أن مدققي ديوان الرقابة المالية الاتحادي في العراق يمثلون لمتطلبات هذا المعيار عندما يخططون لتدقيق البيانات المالية. ولتحقيق هدف الدراسة تم استطلاع رأي عينة مكونة من (95) مدقق من مدققي ديوان الرقابة المالية الاتحادي من خلال استبيان يتضمن (42) فقرة تتعلق بخمسة أقسام من المتطلبات. وتم جمع ومعالجة البيانات باستخدام المقاييس الإحصائية لتحليل البيانات واختبار الفرضيات.

تتكون الدراسة من ستة أقسام ، تضمن القسم الاول مقدمة ومنهجية الدراسة ، اما القسم الثاني فتناول الاطار النظري لتخطيط تدقيق البيانات المالية من قبل ديوان الرقابة المالية الاتحادي العراقي ،بينما انحصر القسم الثالث من الدراسة في الجانب العملي والتحليل الكمي .وقد خصصت الاقسام الثلاثة الاخيرة لاختبار الفرضيات ، والاستنتاجات ، والمصادر.

**الكلمات المفتاحية :** (ديوان الرقابة المالية الاتحادي )، معيار التدقيق الدولي رقم (300) ، تخطيط التدقيق. البيانات المالية .

\*\*\*\*\*

\*\*\*\*\*

\*\*\*\*\*