



## The Effect of the Corona Pandemic (covid-19) on the Quality of the Auditor's Reporting by Application to Iraqi Economic Units

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### Abstract:

The research aims to shed light on the Corona pandemic and its repercussions on the global economy in general, and on the activities of Iraqi economic units in particular. It also aims to show the impact of the auditor's reporting on the effects of the Corona pandemic on economic units and its reflection on the quality of his reporting. To achieve the objectives of the research, the researcher prepared a questionnaire according to the five-point Likert scale and took into account in its preparation compatibility with the characteristics of the study community, and that the target community for this questionnaire are the economic units listed in the Iraq Stock Exchange that have completed their final accounts for the year 2020 (the year of the pandemic) , the number of (62) economic units, auditors working in the Federal Office of Financial Supervision and private auditing companies and offices, as well as academics specialized in this field, based on the following hypotheses:

- 1- There is no statistically significant correlation between the auditor's reporting on the impact of the Corona pandemic and the auditor's reporting quality.
- 2- There is no statistically significant effect between the auditor's reporting on the impact of the Corona pandemic and the auditor's reporting quality.

The research sample was represented by a group of auditors working in the Federal Office of Financial Supervision and private auditing companies and offices, as well as academics specialized in this field working in the accounting departments of Iraqi universities.

The most prominent finding of the research is that it is necessary for the auditor to reconsider amending the method of obtaining audit evidence, for the purpose of allowing him to finally reach a neutral technical opinion about the fairness of the financial statements, as well as relying on information technologies and other new methods in his work. In addition, the auditor should consider using new procedures to facilitate the audit process, in order to avoid delays in obtaining the information and data necessary to complete the audit in a timely manner.

**Key terms for research:** Corona pandemic, auditor reporting quality \* Research extracted from a master's thesis

### **1- Introduction:**

The Corona pandemic and its repercussions have affected all economic sectors in Iraq since the outbreak of the pandemic last February 2020 until now, with specialists expecting these repercussions to continue in the coming years on all sectors and professions operating in the economic and social environment and other aspects, and they differ in their nature from previous crises, especially since most of the economic units stopped working at the beginning of the crisis, some of them were unable to face that crisis or operate it partially, as well as the halt or weakness in the movement of trade exchange due to the Corona pandemic, and others were able to withstand for a limited period. Consequently, the global economy has been affected by it more than the impact of other crises, the last of which was the financial crisis that occurred in 2008.

What distinguishes this crisis is that it is longer than its predecessors, and thus was directly reflected on the economic conditions of the economic units and their financial statements.

Based on the foregoing, this crisis has placed great burdens on auditors, so there is no doubt that the crisis has made the auditor's task difficult and cast a shadow over the bodies responsible for setting accounting and auditing standards, including the continuity of the economic unit, which will be of greater interest to auditors. The auditor raised this crisis and its reflection on the activities of the economic unit and its future, given that this will negatively affect the quality of his reporting.

The researcher also relied on the opinions of a sample of a group of auditors working in the Federal Office of Financial Supervision and private auditing companies and offices, as well as academics specialized in this field working in the accounting departments of Iraqi universities, based on the following hypotheses:

- 1- There is no statistically significant correlation between the auditor's reporting on the impact of the Corona pandemic and the auditor's reporting quality.
- 2- There is no statistically significant effect between the auditor's reporting on the impact of the Corona pandemic and the auditor's reporting quality.

## **2- Corona pandemic, its concept and its repercussions on the activities of economic units.**

### **2-1: The concept of the Corona pandemic:**

The first case of coronavirus disease, known for short as COVID-19, was diagnosed in the Chinese city of Wuhan, in late December of the year 2019. Given the speed of its spread and its high degree of danger, the World Health Organization declared a global health emergency, in January of the year 2020, to declare it on March 11 of the same year as a global pandemic due to the large increase in the number of cases, as well as the high number of deaths in the world (Yilmazkuday, 2021: 2).

### **2-2 : Definition of the Corona pandemic (Covid-19):**

Before addressing the Corona pandemic as a disease in terms of its symptoms and repercussions, it is necessary to look at the causes of this pandemic. The cause of this pandemic is the emerging corona virus (Covid-19), which belongs to a wide family of viruses, which may cause disease in animals and humans alike. It is known that there are a number of coronaviruses that cause respiratory diseases in humans, ranging in severity from common colds to more severe diseases, such as Middle East Respiratory Syndrome (MERS) and Severe Respiratory Syndrome (SARS), as well as due to the emerging corona virus (Covid-19) (KVOS, 3:2020).

The new Corona virus (Covid-19) causes acute respiratory diseases in humans, an infectious disease of which there was no knowledge of its existence before its discovery and outbreak in the Chinese city of Wuhan in December 2019. Its most common symptoms are fever, dry cough, sneezing, extreme fatigue, and to a lesser extent aches and pains, nasal congestion, sore throat, or diarrhea, and loss of sense of smell and taste. These symptoms are usually mild at the beginning of the infection and gradually worsen. Symptoms vary from person to person, some people may become infected, but only mild symptoms appear, and a number of people infected with this pandemic recover without the need to enter hospitals, and the disease intensifies and its severity worsens in the elderly and people who suffer from chronic diseases, such as high blood pressure, blood, diabetes and cancer, heart and lung diseases (WHO, 2020).

### **2-3 : The repercussions of the Corona pandemic on the global economy.**

Since the pandemic is a contemporary event, there are still many unknowns about the long-term effects of the Corona pandemic, particularly the economic effects. The outbreak of the Corona virus appeared for the first time in China and was a shock, as it led to the disruption of Chinese economic activities, as the closure of most economic units was announced in mid-February 2020, and most economic activities were disrupted in the retail, manufacturing and transportation sector, and this was also reflected on the capital market . With the pandemic spreading to other countries, the governments of the countries have taken measures similar to those taken by the Chinese government, which has been reflected in the various economic sectors, and as follows (Johansson and Parzyjagla, 2020: 16):

### **1- The impact of the Corona pandemic on global economic growth:**

The measures and measures to confront the Corona pandemic during the first quarter of the year 2020 led to a slowdown in the growth of the global economy, while the global economy was expected to grow in 2020 by 3.3% and after a growth of 2.9% in 2019, and according to the International Monetary Fund, it is expected that the global economy is witnessing a sharp contraction of -3% (a decrease in global gross product) in the year 2020, to cause this pandemic to cause a global economic crisis through a sharp decrease in aggregate demand, consumption and public spending, supply chains, the global manufacturing and services sector, Tourism revenues, international trade movement, foreign investment flows, decline in global financial market indicators and oil prices (Ahmad,2020:1).

**2- Trade:** The pandemic, by disrupting supply and disrupting supply chains, impedes production and weakens both global demand and supply.

According to the forecast of the World Trade Organization (WTO) on April 8, 2020, it is expected that there will be a sharp contraction in the volume of global trade that may range between 13% and 32% in the year 2020 as a result of the economic impact of COVID-19, and the WTO reminds that the wide scale In the forecast represents a high degree of uncertainty regarding the length of the epidemic and its economic impact, and that the actual economic outcome could be outside this range, either higher or lower. The most optimistic scenario of the World Trade Organization assumes that the volume of world trade will be followed by recovery from the second half of 2020. The most pessimistic scenario assumes a partial recovery that will continue until 2021. The WTO concludes, however, that the impact on the volume of global trade could exceed the decline in world trade during the height of the 2008-2009 financial crisis .

It is estimated that all geographic regions will experience a twofold decrease in the volume of trade, except for the “other regions” consisting of Africa, the Middle East and the CIS. North America and Asia could see the biggest drop in exports. Expectations also indicate that sectors with broad value chains, such as automotive products and electronics, could experience the steepest declines. Although services are not included in the WTO forecast, this sector of the economy may face greater disruption, as a result of restrictions on travel and transportation and the closure of retail and hospitality establishments, however, services such as information technology are growing to meet the demand of employees working from Homes (World Trade Organization, April 8, 2020) .

### **3- The quality of the auditor's reporting, its concept, importance and methods of measuring it.**

#### **3-1 : The concept of auditor reporting quality.**

There are multiple concepts of the quality of the auditor’s reporting (report), which were explained by (Awadi) as: the reporting of the external auditor is the link between him and the parties for whom the audit was conducted, and it is natural for the external auditor to assume during the preparation of his report that the reporter is aware of the economic unit, as well as it is normal for all the data contained in the report to be correct and supported by the audit papers that it maintains and to present it in a way that prevents any unintended distortion (Awadi, 2016:52).

Al-Shuraida and Al-Shobaki also considered that the quality of the auditor's reporting is the auditor's concern that all procedures, tests and identification of evidence that he uses through his professional practice fall within the professional standards, and in the required manner, by which he abstains from his responsibility for any serious errors in the audited financial statements; in the end, he will be able to issue an independent and impartial professional opinion that reduces what is known as the audit gap (Al-Sharida and Al-Shobaki, 307: 2019).

As (Al-Sarihi) indicated that the quality of the external auditor's reporting is the credibility and accuracy of the information and the expected benefit that it achieves for reporting users, by preparing it in light of a set of applicable legal, regulatory and professional standards. As for the professional organizations' point of view, it is the auditor's commitment to the rules and ethics of professional conduct, maintaining integrity and impartiality, and expressing a professional opinion that meets the needs of users of financial statements (Al-Sarihi, 134: 2019).

Through the previous definitions, the quality of the auditor's reporting can be defined as: transparency and good disclosure of the information that characterizes the external auditor's reporting, which reflects the reality of the financial position and the profits achieved and expected for the economic unit, in line with the objectives and needs of investors to rationalize their investment decisions.

### **3-2 : The importance of the auditor's reporting quality.**

The external auditor must implement quality control procedures in line with generally accepted international audit policies and procedures, including International Auditing Standard 220 (Quality Control for the Review of Financial Statements). This can only be done through the auditor's commitment to the principles of independence, professional integrity and objectivity. Maintain confidentiality and professional ethics. Thus, the quality of the external auditor's reporting leads to the provision of accurate information that is free from bias and opportunistic behaviour. Quality control in auditing aims to reduce the percentage of defects in the final reporting of the external audit process. It depends on statistical methods. It is not limited to the examination carried out by the auditor, but rather the continuous improvement in the final reporting provided by him and his commitment to the professional care necessary to complete the examination . His commitment to achieving high-quality audit reporting requires him to be independent and impartial while performing his mission and to abide by generally accepted auditing standards and international auditing standards. The quality of the external auditor's reporting determines the characteristics that must be characterized by his reporting or a set of basic principles on which he depends in order to reach high-quality reporting, and his assessment of the quality of the financial statements in the financial statements subject to audit, all of which helps in making decisions, and the higher the quality reporting to the external auditor, the easier for users to make more accurate and efficient decisions than if the reporting was not of good quality (Haddad, 2016:30).

The importance of achieving quality also lies in informing the external auditor, taking into account the external users of the financial statements and reports of the economic unit; they expect that the auditor will achieve full quality for them because of their reliance on them in making their decisions, and making current and future plans based on those lists and reports, and therefore the possibility of obtaining external sources of financing leads to enhancing the efficiency of their investments. The importance of the auditor's reporting quality leads to enhancing investment efficiency by reducing the discrepancy that occurs in information between the economic unit and investors, as well as reducing the possibility of poor selection of the investment decision .

In view of the importance of quality in informing the external auditor, the quality control standard (220) aims to provide guidance on quality control of the audit process through the policies and procedures followed by audit offices and companies when performing the audit process, and this explains the procedures related to delegating workers to assistants to perform the audit process. As these policies and procedures must be applied at the level of auditing offices and companies, as well as on individual audits; this standard deals with the responsibilities of offices and companies related to their quality control system for auditing financial statements and other assurance operations and related services, also due to the importance of informing the external auditor, the standard International audit (700) in January 2015. This amendment has brought about fundamental changes in the current reporting, so that the report contains a lot of important information about the economic unit, which needs to be known by all parties that use the financial statements, and that the amendments to the standard aim to improve the quality of the audit process and maximize the informational value of informing the auditor and the external to provide more audited financial information (Al-Suraihi, 135: 2019).

And (Abdul-Sami') believes that there are many reasons behind the importance of paying attention to the quality of the auditor's reporting, including (Abdul-Sami', 64:2021):

- 1- The quality of the auditor's reporting represents the degree of confidence that the auditor provides to the users of the financial statements. The quality of the auditor's reporting leads to the provision of information free from space and opportunistic behavior.
- 2- The quality of the auditor's reporting leads to enhancing investment efficiency by reducing the degree of information asymmetry between the economic unit and investors and increasing investors' reliance on reporting in their investment decisions.
- 3- The quality of auditor reporting narrows the expectations gap in auditing, by increasing the level of transparency in the audit process, increasing the level of mutual understanding between the auditor and users and avoiding misinterpretation or conclusion.
- 4- Reporting to the auditor is a document that enhances the value and credibility of the financial statements of the economic unit, especially in light of the instability in the current business environment.

5- The quality of the auditor's reporting helps in achieving the objective of the audit process efficiently and effectively, especially in light of the financial and economic crises.

### **3-3 : Methods for measuring the quality of auditor reporting.**

The quality of the auditor's reporting can be measured by addressing the basic features of the auditor's reporting, which are as follows (Mohammed, 2013: 145) (Al-Quraishi, 2011: 366-367):

1- **Accuracy:** accuracy means that all data are correct and free from deviations and errors, and the formulation of conclusions clearly and frankly, in order to convince users of the validity and reliability of the contents.

2- **Comprehensiveness:** it means that the reporting should be comprehensive of all the information required by the auditor to achieve the quality of reporting and help in making the right decisions, as well as the principle of comprehensiveness to examine all the objectives of the economic unit and all financial reports with attention to those reports and make them properly and adequately understood.

3- **Objectivity:** all reporting items must be drafted according to the specific methods and standards, the reporting should present all data away from misleading, and the personal element in the reporting must be reduced and reliance on evidence that shows the auditor's opinion, especially the direction of the most important standards, and the reporting must present the facts honestly and truthfully. So that it reviews the results of the audit from a realistic perspective, which means that those results are presented in an impartial and reliable manner.

4- **Clarity :** the report must be easy to read and understand for users to achieve the desired goals through it

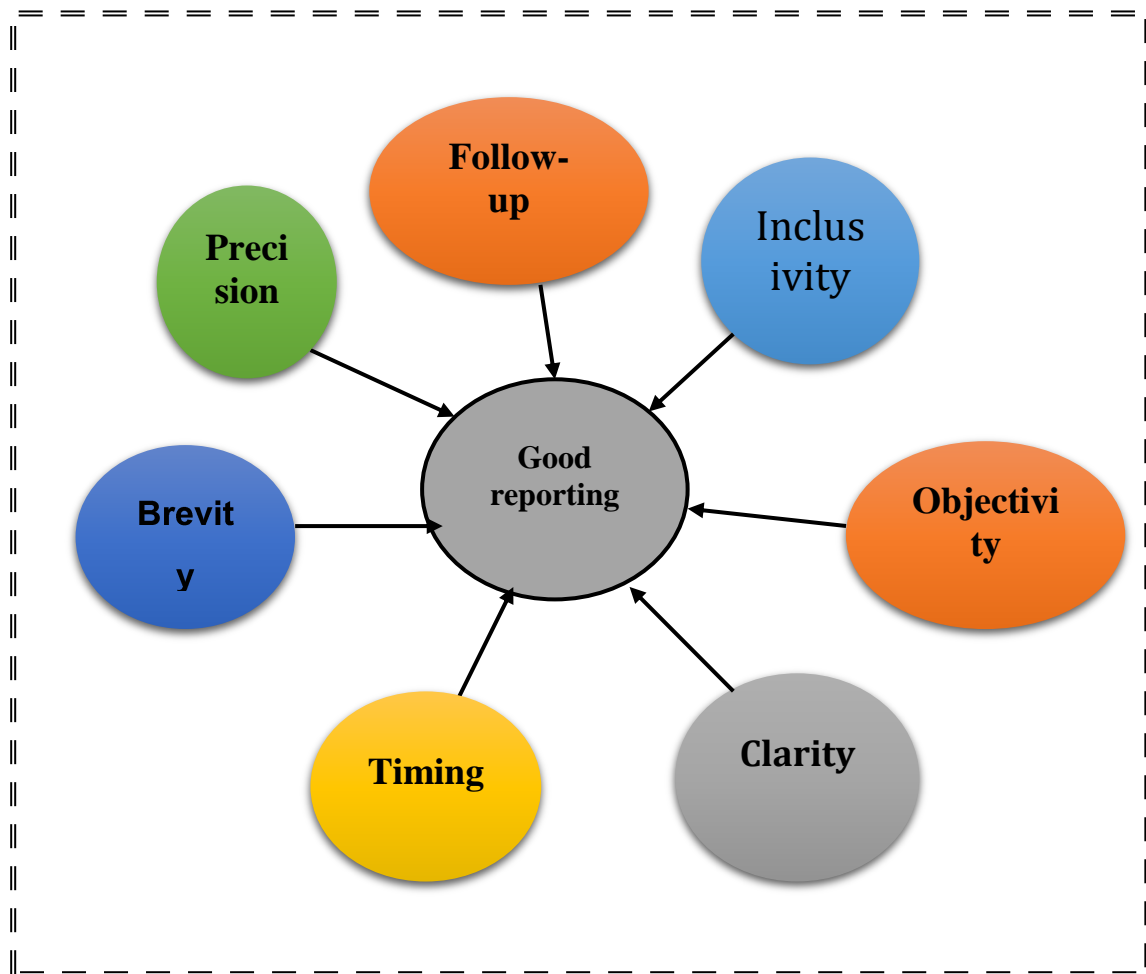
5- **Briefness:** when preparing the report, it must be brief, not lengthy, understandable by users, formulated in a good manner, and address the weaknesses in it that have already been referred to.

6- **The timing:** submit the report from the auditor in a timely manner and agreed upon with the other beneficiary parties.

7- **Follow up:** the report prepared by the auditor must be reviewed, with an emphasis on taking all the procedures and policies followed by the body subject to control regarding its reporting for previous years and then reporting on it.

The elements of good reporting can also be shown in Figure (1) and as shown below:

Figure (1) Elements of good reporting



The source is prepared by the researchers

#### 4- The reflection of the auditor's reporting on the impact of the Corona pandemic on the quality of his reporting.

There is no doubt that informing the auditor is a summary of what the auditor has done in auditing the accounts and activities of the economic units subject to audit, starting with visiting these units and reviewing the nature of their activities, evaluating the internal control system in them, and then setting up an audit program that includes the volume and quality of evidence, as well as determining the sample size in light of the strength or weakness of the internal control system and the nature of personal interviews with workers in these units. The Corona pandemic had a great impact on all these steps that we mentioned, which is ultimately reflected in the quality of the auditor's reporting represented in his final report. The researchers will deal with the impact of the pandemic according to what was mentioned above, and as follows.



The Corona pandemic affects the auditor's procedures and is represented in the following:

#### **4-1: The impact of the Corona virus on the auditor's assessment of internal control in the economic unit.**

Auditing Standard (315) requires the auditor to have an understanding of internal control relevant to the audit process. And the controls related to auditing are mostly controls that are related to the preparation of financial reports. The auditing standard (330) confirms the auditor's responses to assessed risks and his responsibility for designing and implementing responses to the risks of material misstatement, which are determined and evaluated by the auditor in accordance with auditing standard (315) when auditing the financial statements.

(Covid-19) may have a material impact on the internal control structure of the economic unit, through the circumstances that accompanied the pandemic and which cannot be avoided by the economic units, so these units responded to it in different ways depending on the type and size of the change. Because of the pandemic, some operations may be disrupted, or key employees may be absent, which requires making adjustments to the internal control system; for example, the majority of the workforce is currently working from home, and this may have an impact on the operation of internal control tools. The amendments to the internal control system have implications for the volume and type of data required by the audit process. These adjustments resulting from the outbreak of the pandemic may affect the auditor's assessment of the risks, the methodology and the planned procedures, which is reflected in the quality of the auditor's reporting (SOCPA, 2020:11).

#### **4-2 : The impact of the pandemic on the evidence in the audit.**

Auditing Standard 501 (Audit Evidence - Specific Considerations for Selected Items) deals with specific matters that the auditor takes into consideration when obtaining sufficient appropriate audit evidence. For example, in relation to inventory, the standard indicated that the auditor must obtain sufficient and appropriate evidence on the presence and condition of inventory, by attending the actual inventory count, but if the auditor is unable to attend the actual inventory due to unforeseen circumstances, he must conduct some physical inventory operations or observe them on another date and implement audit procedures for transactions that take place in the period interval.

The standard did not specify a specific description of the cases that prevent the auditor from carrying out the usual procedures in the audit, as it left them to the auditor and the circumstances surrounding him for each engagement process, according to his professional judgment. The conditions accompanying the spread of Covid-19 can be viewed as a realistic example of force majeure that prevents the auditor from attending the actual inventory count, due to the danger it poses to the safety of auditors, a risk supported by governmental precautionary measures, which limit presence in workplaces. The standard also states in its explanatory paragraphs that one example of the inability to attend the actual inventory count is the fact that the stock is in a place that may pose a threat to the safety of the auditor (the stock may be in a place that is a hotbed for the spread of the virus). In such circumstances, the standard indicates that when attendance is impractical in some cases, the application of alternative audit procedures may provide sufficient

and appropriate audit evidence about the presence and condition of the stock (Saudi Organization for Certified Public Accountants, 2020: 20-21).

In this regard, KFUS indicated that in the current circumstances, the auditor may need to develop alternative procedures to collect sufficient and appropriate audit evidence to allow him to reach a final, impartial technical opinion about the fairness of the financial statements. Information technology plays an important role in such circumstances, as it helps implement strategies for physical distancing and remote work, which limits the spread of the virus.

The circumstances accompanying the spread of the Corona virus can be viewed as a realistic example of considering the presence of the actual inventory count is not possible due to the danger it poses to the safety of the auditor. Here, the auditor must apply alternative procedures to provide sufficient evidence about the presence and condition of the inventory, including the use of video technology that allows a direct visual display of the inventory items and comparing the existing items with their balances in the records in order to ensure the validity of the balances, and it may be appropriate to involve the internal auditor in the process remote inventory.

In the event that it is not possible to obtain sufficient and appropriate evidence about the inventory, by implementing alternative procedures, the auditor's opinion on the reporting must be modified as a result of the scope limitations, in accordance with the requirements of Auditing Standard 705 (KFUS, 2020: 119).

In all cases, the auditor must demonstrate professional skepticism, and that if he is unable to obtain sufficient and appropriate audit evidence regarding the existence and condition of inventory by implementing alternative audit procedures, then ASA (705) requires the auditor to modify the opinion in his communication as a result of limitations scope (Saudi Organization for Certified Public Accountants, 2020:21).

#### **4-3 : Raise the pandemic on personal interviews.**

The Corona pandemic has greatly affected the work of accountants who specialize in preparing financial reports for economic units, as well as external auditors alike. They have to change the way of work and move to work, through computers, and complete all communications via the internet instead of personal attendance to the workplace, which has caused many negative effects, including the loss of large numbers of accountants, auditors and qualified employees, as well as the loss of customers (Mahmoud and Hussein, 2020: 7).

#### **4-4: The ability to predict.**

The Corona pandemic has affected the auditor's ability to predict what might happen to the economic units subject to audit, which may contribute to the risk of new fundamental errors, or the intensification of these risks and the possibility of manipulation and fraud more. Therefore, the auditor should consider modifying the way he obtains audit evidence and relying on information technologies and other new methods in his work, taking into account changes in international accounting standards and international auditing standards or relevant laws and regulations 9-7, 2021 and Rashwan.

**4-5 : The impact of the pandemic on the implementation of the audit plan.**

The impact of the pandemic in this area can be summarized as follows (KFUS, 2020: 118):

- 1- There are cases of delays in obtaining the information and data necessary to complete the audit.
- 2- The inability to conduct the field audit due to the failure of all employees to resume their work in the economic units, which hinders the timely completion of the audit process.
- 3- The possibility of the auditor being infected with the virus.
- 4- Not using information technology in the audit process and weak requirements for the operation of electronic systems and software for remote communication to ensure the completion of the audit process as soon as possible.
- 5- Failure to adhere to the directives and instructions in light of the implementation of preventive and exceptional measures to confront the epidemic.

**5- Presenting and analyzing the results of the questionnaire and testing the research hypotheses** Table (1) below shows the demographic information for the items of the research sample, which were included in the questionnaire list:

Table (1)  
Demographic information for the sample vocabulary

Sequence	Properties demographic	Category	number	percentage
1	Scientific qualification	PhD and equivalent	36	21.7
		Master's and equivalent	16	9.6
		Chartered Accountant	114	68.7
<b>Total</b>			<b>166</b>	<b>%100</b>
2	Specialization	Audit	137	82.5
		Financial Accounting	29	17.5
<b>Total</b>			<b>166</b>	<b>%100</b>
3	The scientific Title	Teacher	24	14.5
		Assistant Professor	57	34.3
		Professor	85	51.2
<b>Total</b>			<b>166</b>	<b>100%</b>
4	years of service	5 or less	4	2.4
		6-10 years	16	9.6
		11-15 years	45	27.1
		16-20 years	45	27.1
		20 or more	56	33.7
<b>Total</b>			<b>166</b>	<b>100%</b>

Source: Prepared by the researchers based on the results of statistical analysis

It is clear from the results of Table (1) above that the majority of respondent person with practical qualifications on the results of the questionnaire hold a doctorate and its equivalent and a master's degree and its equivalent, and also that most of them are professional specialists who hold the title of chartered accountant and have long experience in their field of work.

**First: Inform the auditor about the impact of the Corona pandemic.**

The researchers found a set of general statistics, which are represented by the arithmetic mean, standard deviation, coefficient of variation, and the relative importance of the questions of the first axis, which are related to (reporting to the auditor about the impact of the Corona pandemic), where Table (2) shows the ratios, frequencies, arithmetic means, standard deviation, coefficient of variation, and the relative importance of each question from The questions of the first axis are as follows:

Table (2)

Ratios, frequencies, mean, standard deviation, coefficient of variation, and the relative importance of the first axis (with the auditor reporting the impact of the Corona pandemic).

Coefficient of variation	ST. deviation	Mean	Relative importance	Totally Agree		Agree		Neutral		Do not Agree		Do not totally agree		Questions
				%	F	%	F	%	F	%	F	%	F	
16.6	0.71	4.28	85.5	40.9	68	46.9	78	11.4	19	0	0	0.6	1	Q1
15.28	0.66	4.31	86.27	40.9	68	50.6	84	7.2	12	1.2	2	0	0	Q2
15.15	0.66	4.34	86.87	43.9	73	46.9	78	8.4	14	0.6	1	0	0	Q3
18.25	0.78	4.25	85.06	42.1	70	43.3	72	13.2	22	0	0	1.2	2	Q4
16.77	0.73	4.36	87.11	49.4	82	37.9	63	11.4	19	1.2	2	0	0	Q5
16.86	0.72	4.24	84.82	38.5	64	48.1	80	12.6	21	0	0	0.6	1	Q6
15.86	0.67	4.21	84.22	33.7	56	54.8	91	10.2	17	1.2	2	0	0	Q7
18.32	0.78	4.28	85.54	44.5	74	41.5	69	11.4	19	1.8	3	0.6	1	Q8
17.23	0.74	4.29	85.78	41.5	69	49.4	82	6	19	2.4	4	0.6	1	Q9
17.49	0.76	4.33	86.51	46.9	78	40.9	68	10.2	10	1.2	2	0.6	1	Q10
18.95	0.80	4.20	83.98	40.3	67	42.1	70	14.4	17	3.0	5	0	0	Q11
20.10	0.83	4.14	82.89	37.3	62	43.9	73	15.6	24	1.8	3	1.2	2	Q12
16.16	0.72	4.44	88.80	54.2	90	37.9	63	6.0	26	1.2	2	0.6	1	Q13
17.70	0.77	4.36	87.23	50	83	39.7	66	7.23	10	2.4	0	0.6	1	Q14
15.17	0.65	4.28	85.66	38.5	64	51.8	86	9.04	12	0.6	4	0	0	Q15
19.31	0.80	4.13	82.65	34.3	57	48.8	81	13.25	15	3.0	1	0.6	1	Q16
20.03	0.84	4.20	84.10	42.1	70	40.9	68	12.65	22	3.6	5	0.6	1	Q17
17.25	0.72	4.17	83.37	34.3	57	49.4	82	15.06	21	1.2	6	0	0	Q18
10.44	0.45	4.27	85.35	The total of the mean, deviation, and coefficient of variation										

Source: Prepared by researchers based on program outputs. SPSS. V.26

Through the Table (2) above, it is clear that the overall average for this axis is 4.27, which is greater than the standard average of (3), with a standard deviation of 0.45 and a coefficient of difference of 10.44%, meaning that the sample members agree by 85.35% on the importance of informing the auditor about the impact of the Corona pandemic.

### **Second: the quality of the auditor's reporting.**

The researchers found a set of general statistics, which are represented by the arithmetic mean, standard deviation, coefficient of variation, and the relative importance of the questions of the second axis, which are related to (the quality of the auditor's reporting). Table (3) shows the percentages, frequencies, arithmetic means, standard deviation, coefficient of variation, and the relative importance of each question of the first axis. And as follows:

Table (3)

Ratios, frequencies, arithmetic means, standard deviation, coefficient of variation, and the relative importance of the first axis (the auditor's reporting quality).

Coefficient of variation	ST. deviation	Mean	Relative importance	Totally Agree		Agree		Neutral		Do not Agree		Do not totally agree		Questions
				%	F	%	F	%	F	%	F	%	F	
22.67	0.94	4.13	82.53	40.96	68	39.16	65	12.65	21	6.02	10	1.20	2	Q1
20.63	0.85	4.11	82.29	34.94	58	48.80	81	9.04	15	7.23	12	0.00	0	Q2
20.72	0.83	4.01	80.24	29.52	49	46.99	78	19.28	32	3.61	6	0.60	1	Q3
23.10	0.89	3.83	76.63	22.89	38	45.78	76	23.49	39	7.23	12	0.60	1	Q4
20.90	0.83	3.99	79.88	28.31	47	48.19	80	18.67	31	4.22	7	0.60	1	Q5
22.02	0.88	4.00	80.00	31.33	52	43.98	73	18.67	31	5.42	9	0.60	1	Q6
21.82	0.83	3.81	76.14	19.28	32	48.80	81	25.90	43	5.42	9	0.60	1	Q7
23.96	0.89	3.72	74.46	17.47	29	48.80	81	22.89	38	10.24	17	0.60	1	Q8
26.75	0.97	3.64	72.77	21.08	35	36.14	60	28.31	47	14.46	24	0.00	0	Q9
21.59	0.84	3.87	77.35	21.69	36	50.60	84	20.48	34	7.23	12	0.00	0	Q10
22.32	0.87	3.91	78.19	26.51	44	44.58	74	22.89	38	5.42	9	0.60	1	Q11
22.85	0.89	3.91	78.19	27.71	46	42.77	71	22.89	38	6.02	10	0.60	1	Q12
24.42	0.93	3.83	76.51	25.90	43	40.36	67	24.70	41	8.43	14	0.60	1	Q13
17.76	0.70	3.96	79.28	20.48	34	57.83	96	19.28	32	2.41	4	0.00	0	Q14
22.72	0.85	3.76	75.18	18.07	30	48.80	81	24.10	40	9.04	15	0.00	0	Q15
29.45	1.03	3.48	69.64	15.06	25	40.36	67	24.70	41	17.47	29	2.41	4	Q16
24.93	0.97	3.89	77.71	29.52	49	40.96	68	18.67	31	10.24	17	0.60	1	Q17
17.88	0.78	4.35	86.99	50.00	83	37.95	63	9.64	16	1.81	3	0.60	1	Q18
17.68	0.77	4.33	86.63	47.59	79	40.36	67	10.84	18	0.00	0	1.20	2	Q19
14.10	0.55	3.92	78.45	The total of the mean, deviation, and coefficient of variation										

Source: Prepared by researchers based on program outputs. SPSS. V.26

Through the Table (3) above, it is clear that the overall average for this axis is 3.92, which is greater than the standard average of (3), with a standard deviation of 0.55 and a coefficient of variation of 14.10%, meaning that the sample members agree by 78.45% on the importance of the quality of the auditor's reporting.

In the field of hypotheses testing, the hypotheses that were adopted in the current research were tested for the purpose of determining the validity of those hypotheses or not for the research sample. As for the second axis, it dealt with testing the effect hypothesis through the use of simple linear regression.

**First: testing the correlation hypothesis**, which states (there is no significant correlation between the auditor's reporting of the impact of the Corona pandemic and the quality of the auditor's reporting), as the value of the simple linear correlation coefficient (Pearson) appeared between the research variables, the auditor's reporting on the impact of the Corona pandemic and the quality of reporting the auditor (\*\*0.302) as shown in Table (4), which is a positive significant correlation at the level of significance (0.01), as the value of the morale appeared (0.000), which is less than the level of morality (0.01). Accordingly, this result confirms that the greater the strength of the auditor's reporting on the impact of the Corona pandemic, the better the quality of the auditor's reporting. This is a justification for rejecting the first hypothesis and accepting the alternative hypothesis, which states (there is a significant correlation between the auditor's reporting on the impact of the Corona pandemic and the auditor's reporting quality) .

Table (4)

It shows the value of the correlation coefficient between the auditor's reporting of the impact of the Corona pandemic and the quality of the auditor's reporting

	Second Axis Auditor reporting quality	
The first axis inform the auditor about the impact of the Corona pandemic	Pearson's link	.382**
	morale	.000
**. Correlation is significant at the 0.01 level (2-tailed).		

Source: Prepared by the researchers based on the results of statistical analysis .

### **Second, the impact hypothesis test**

The researchers used the simple linear regression analysis method to test the second hypothesis, which states (there is no statistically significant effect of informing the auditor about the impact of the Corona pandemic on the quality of his reporting), as Table No. (5) shows the results of the regression analysis of the effect of the auditor's reporting on the impact of the Corona pandemic on the quality of his reporting. The auditor, and it is noted that the auditor's reporting on the impact of the Corona pandemic has had a significant impact on the quality of the auditor's reporting, that is, there is a significant effect relationship, as the calculated (F) value reached (28,015), which is greater than the tabular f value of (6.79), significantly (0.000) which is less from the level of significance (0.01), the coefficient of determination ((R<sup>2</sup>) explained the rate of (14.6%) of the contributions

made to the quality of the auditor's reporting, and that its percentage (85.4%) was due to other factors that were not included in the regression model.

Through Table (5) we note that the value of the fixed term ( $a = 1.898$ ), which is statistically significant at the level of significance (0.01), as the t-value calculated for it reached (4.934), which is greater than the tabular t-value of (2.35) with significance (0.000), which is less than the level of significance (0.01). As for the value of the marginal slope, it was ( $b = 0.474$ ), and the t-value calculated for it was (5.293), which is greater than the tabular t-value of (2.35) if the t-value calculated at the level of significance (0.000) is less than the level of significance (0.01). That is, it is statistically significant as well, and the value of the marginal slope (b) indicates that the change that occurs in the auditor's reporting on the impact of the Corona pandemic by one unit leads to the quality of the auditor's reporting by (0.474).

Through these results, we reject the second effect hypothesis and accept the alternative hypothesis (there is a statistically significant effect of informing the auditor about the impact of the Corona pandemic on the quality of the auditor's reporting).

Table (5): The effect of the auditor's reporting on the impact of the Corona pandemic on the quality of the auditor's reporting

Independent variable	Dependent variable	Fixed limit value	Morale	The value of the marginal slope	Morale	R2 . coefficient of determination	The calculated F value	Morale
Inform the auditor about the impact of the Corona pandemic	Auditor reporting quality	1.898	0.000	0.474	0.000	0.146	28.015	0.000

Source: Prepared by the researchers based on the results of statistical analysis

## 6-Conclusion and Suggestions

1 - The pandemic affected the economy and global markets, which was reflected in the creation of fluctuations in the values of assets and liabilities, and the difficulty for the auditor to verify the accuracy of the assessment of those accounts, which was reflected in the quality of his reporting.

2- The analysis of the questionnaire showed that the pandemic had led to the imposition of restrictions on the auditor in obtaining evidence, such as not obtaining certifications and the inability to conduct field visits and attend the inventory, which was reflected in the poor quality of the auditor's reporting.

3- The analysis of the questionnaire showed that the pandemic had made it difficult for the auditor to obtain sufficient evidence in light of the Corona pandemic, which led the auditor to rely on his personal judgment, and thus this was reflected in the weakness of objectivity in his reporting.

### The researchers suggest the following:

1- The departments of economic units should take into consideration the effects of the pandemic on the economy and global markets to maintain the value of assets and liabilities and facilitate procedures for the auditor for the purpose of verifying the accuracy of the assessment.

2- The auditor should consider obtaining evidence for the purpose of facilitating the audit process, such as obtaining certifications and the possibility of conducting field visits and attending the inventory, for the purpose of maintaining the accuracy and quality of his reporting.

3- The auditor should consider modifying the method of obtaining audit evidence, for the purpose of allowing him to reach a final, impartial technical opinion about the fairness of the financial statements, as well as relying on information technologies and other new methods in his work.

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## تأثير جائحة كورونا (covid-19) في جودة إبلاغ المدقق بالتطبيق على الوحدات الاقتصادية العراقية

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### مستخلص البحث:

يهدف البحث الى القاء الضوء على جانحة كورونا وتداعياتها على الاقتصاد العالمي بصفة عامة وعلى أنشطة الوحدات الاقتصادية العراقية على وجه الخصوص . وكذلك يهدف الى بيان تأثير إبلاغ المدقق عن آثار جانحة كورونا على الوحدات الاقتصادية وانعكاسه على جودة إبلاغه . ولتحقيق اهداف البحث قام الباحث بإعداد أستمارة أستبانة وعلى وفق مقياس ليكرت الخماسي ، وقد أخذ بالحسبان في إعدادها التوافق مع خصائص مجتمع الدراسة ، وأن المجتمع المستهدف لهذه الأستبانة هو الوحدات الاقتصادية المدرجة في سوق العراق للاوراق المالية والتي أنجزت حساباتها الختامية لسنة/2020 ( سنة الجانحة) ، وبالبلغ عددها (62) وحدة اقتصادية ، ومراقبي الحسابات العاملين في ديوان الرقابة المالية الاتحادي وشركات ومكاتب التدقيق الخاصة ، فضلاً عن الاكاديميين المتخصصين في هذا المجال ، معتمداً على الفرضيات الاتية :

1- لا توجد علاقة ارتباط ذات دلالة احصائية بين إبلاغ المدقق عن تأثير جانحة كورونا وجوده إبلاغ المدقق .  
2- لا يوجد تأثير ذو دلالة احصائية بين إبلاغ المدقق عن تأثير جانحة كورونا وجوده إبلاغ المدقق .  
وقد مثلت عينة البحث مجموعة من مراقبي الحسابات العاملين في ديوان الرقابة المالية الاتحادي وشركات ومكاتب التدقيق الخاصة ، فضلاً عن الاكاديميين المتخصصين في هذا المجال العاملين في اقسام المحاسبة بالجامعات العراقية .

وأبرز ما توصل اليه البحث هو انه من الضروري أن يعيد المدقق النظر في تعديل طريقة حصوله على أدلة التدقيق ، لغرض السماح له بالتوصل بشكل نهائي الى رأي فني محايد حول عدالة القوائم المالية ، وكذلك الاعتماد على تقنيات المعلومات والاساليب الجديدة الأخرى في عمله . بالإضافة الى ذلك ، ينبغي على المدقق النظر في استخدام إجراءات جديدة لتسهيل عملية التدقيق ، لغرض تجنب حالات التأخير في الحصول على المعلومات والبيانات اللازمة لاستكمال عملية التدقيق في الوقت المناسب .

**المصطلحات الرئيسية للبحث :** جانحة كورونا ، جودة إبلاغ المدقق \* بحث مستل من رسالة ماجستير

\*البحث مستل من رسالة ماجستير