

THE REALITY OF EXTERNAL AUDIT IN IRAQ AND ITS IMPACT ON THE VARIOUS CRISES IN THE ENVIRONMENT OF INDUSTRIAL COMPANIES

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Abstract

Purpose: The study aims to demonstrate the reality of external audit in light of crises and related, the work performed by the external auditor in the Iraqi environment in the environment of the industrial sector, F What are the various audit crises and how can they be managed, the study shows the impact and correlation between the reality of external audit in Iraq and the various crises in the environment of industrial companies. In order to achieve the objectives of the study and solve its problem, the authors proposed the following two hypotheses:(There is a significant moral impact between the reality of external audit and the various crises in the Iraqi environment Industrial At an indicative level 0.05.)

Theoretical framework: There is a significant correlation between the reality of external audit and the various crises in the Iraqi environment Industrial At an indicative level 0.05. The necessary information was collected to complete the study in its theoretical and applied aspects through the available literature, but in its practical framework.

Design/methodology/approach: In order to achieve this, the industrial sector of companies was relied upon (Baghdad soft drinks company-Al Hilal industrial company-ready-made clothing production company-Modern Chemical Industries Joint Stock Company- Al Mansour Pharmaceutical Industries Company) Its shares are listed on the Iraqi Stock Exchange and for a period of (2016 – 2020), Market releases of the same sample. The authors relied on Both deductive and analytical approaches, Faithful represented the limits of spatial study in the banking sector, while the time limits are represented by the years of 2016-2020.

Findings : F The study found that there is a correlation between the reality of external audit and the management of various crises, it amounted to(0.267-) It is a negative relation i.e. (Weak inverse relationship) That is, the higher the quality of the external auditor's performance, the lower the crises experienced by industrial companies, which are at a lower moral level than (0.05),This indicates that there is a significant correlation between the reality of external audit and the various crises in the Iraqi industrial environment at a significant level 0.05. It turned out that the fact of external audit contributed to the explanation of the amount of (0.872) One of the differences in various crises, While the residual value represents factors

that are not included in the study area. Based on the above, the results show the validity of the hypothesis claim " The presence of a significant impact between the reality of external audit and the various crises in the Iraqi industrial environment at the level of significant 0.05.

Research, Practical & Social implications: It is necessary to improve the reality of external auditing in Iraq, due to its contribution to crisis management.

Originality/value: Organizations interested in external auditing should organize and manage the reality of external auditing, given the urgent need for crisis management.

Keywords: The reality of external audit-various crises-various crisis management.

Introduction

The auditing profession in Iraq has gone through many cases of development since political independence in 1921 In general 1927 Law No. was issued "17" It was hereby established (Public Audit Department) Which was then known as (Office of the external auditor general) The audit profession has developed since that period to the end of the year 2012 Where the official designation of the auditing profession in Iraq was launched, which is the Federal Audit Bureau .(Abboud, Khalaf·2011) The external audit process has become of great importance in economic life because the report prepared by the external auditor supports the company's financial statements, which increases the confidence of beneficiaries in making investment decisions, and what supports confidence is the independence, experience and competence of the external auditor, as well as the professional care exerted by the auditor in the audit process (Ali, Abraham· 2020) For this reason, the person conducting the audit submits a report expressing his opinion on the company's financial statements, as for the Iraqi companies law no 21 For a year 1997 The name of the external auditor was given, as the work of the external auditor is not limited to auditing the accounts, but also includes monitoring the application of regulations and laws in the company. (Tamimi· 2014) An external auditor is defined as anyone who practices the profession of auditing and controlling accounts, whether the practitioner is a natural or legal person, licensed to practice the audit profession in accordance with (The system of practicing the profession of control and auditing of accounts law no 3 For a year 1999) In Iraq. The audit and auditing profession in Iraq has been affected by the various crises that Iraq has experienced since 2003 And the accompanying collapse of the political system and the auditing institution at that time, in addition to the economic crises in 2007 And then from crises in a year 2013 To the end 2017 From the collapse of a third of Iraq by the hands of terrorist organizations and their control over 6 Iraqi provinces and the collapse of their regulatory systems and their control over many Iraqi companies in these provinces, the last crisis was the period of the October Revolution in a year 2019 And the accompanying disruption of all state institutions and factories and the lack of oversight work in addition to the corona pandemic crisis and the accompanying complete collapse and isolation from business performance, as all this contributed significantly to the fluctuation of the profession of monitoring and auditing in Iraq (External audit) , (Giovannoni & Febietti,2014)Corporate growth can be achieved by the company under financing policies that maintain the debt-to-equity ratio and avoid external

financing with equity (Ross et al,2010) The process of overcoming crises is one of the most important aspects of achieving competitiveness between companies , (Abdul Aal, 2009) This study seeks to shed light on the reality of external audit in light of crises and what is the impact on Crisis Management in the environment of Iraqi industrial companies, this study seeks to shed light on the reality of external audit in light of crises and what is the impact on Crisis Management in the environment of Iraqi industrial companies , In order to achieve this, the authors divided this study into three topics the first topic presented the methodology of the study , And among the second Theoretical literature , And eat the third Measurement and hypothesis testing Conclusion of the study.

LITERATURE REVIEW

The profession of external audit in Iraq:

The profession of external audit offices in Iraq is regulated by regulation no (3) For a year 1999 Under this system, the external audit profession is practiced by every natural or legal person licensed to practice this profession under this system , and under this system, the profession of external audit offices in Iraq is also supervised, regulated and controlled by a council called the council for the profession, control and auditing of accounts (Abraham , Hussein , 2018)

This council exercises all the powers related to the profession in terms of legislating and issuing guidelines and instructions related to the management and control of the profession such as the rules of Professional Conduct and the formation of scientific and disciplinary committees related to the management of professional matters such as granting a license to practice the profession to scientifically and practically qualified external auditors according Licenses for practicing the profession for external auditors, fees for certifying the financial statements of audited companies and other organizational matters related to the profession, and the accounts of the Profession Council are audited by an auditor An outsider appointed from the same board. (The hyoid , 2018) The financial statements of companies owned half by the state and the other half by the private sector are audited by the Financial Supervision Bureau in accordance with the Iraqi companies law and in accordance with the instructions and laws related to the Financial Supervision Bureau in Iraq.

As for private sector companies, they are audited by external audit offices licensed by the audit profession and Control Board in Iraq, and the audit offices practice their work according to local audit manuals issued by the Iraqi local accounting standards board, and the members of this board consist of members with the same titles as the members of the audit and control Profession Board, and below is a detailed explanation of the Iraqi local audit manuals issued by that Council and adult 7 Proofs for checking, knowing that proof no (7) They are according to the following (Iraqi Audit Manual no 7 ,2016) F(Thanks , 2014), The first local standard "Responsibility of the external auditor for subsequent events" F Local standard no (2) "The external auditor's report on the financial data " The local standard no (3)"Basic standards of auditing" F Local auditing standard no (4)"Study and evaluation of the internal control system " F Local standard

no (5)"Documentation" F Local standard no (6) " Layout Audit process Supervision On her " F Local standard no (7) (Quality control).

An external audit is defined as " Collect and evaluate evidence about the information to determine compliance with established standards and report on it and the audit must be performed by a competent and independent person" (Semb & Kato, 2019) Defined ((Subhani, 2016) External audit is a regular process performed by a person outside the company and independent of it in terms of organizational structure and who gives a technical and impartial opinion on the integrity and truthfulness of the company's financial statements that he audits, in order to benefit the relevant external parties. That the external audit profession is performed by a scientifically and practically qualified, trained, independent, impartial and professionally responsible person, and that the way to this is the recognized auditing standards, and that these standards are professional levels to ensure the commitment of the external auditor and his fulfillment of his professional responsibilities in accepting assignments, planning and implementing audit work and preparing the report efficiently Required professional competence, independence and reporting requirements (The boy ,Victory • 2002)

What are the various audit crises and how can they be managed .

A crisis is defined as an abnormal, unstable and inherently complex situation that poses a threat to strategic goals, reputation or existence of an organization .(Haris ,2012) FSee (Milašinović, Kešetović, 2008)This event and its consequences may cause significant damage to the company, its employees, products, services, financial condition and reputation. FThere have been frequent crises in the profession of auditing and auditing in Iraq, including the economic transformations after the Iraq-Iran war, where some auditing institutions collapsed and significant changes were introduced in the laws, especially in the period of 1990 In addition to the introduction of some local standards ,And some laws change after a year 2003 After the fall of the ruling regime , Where laws on financial management and public debt were introduced by the Coalition Provisional Authority at that time, And what are the limited periods when the global crisis appeared in a year 2008 , (Thanks , 2014)As the shortcomings in the auditing profession revealed by the global financial crisis, namely the failure to apply the standard of auditor independence in a proper manner, the auditor's independence and impartiality means his commitment to justice towards all parties that benefit from the published financial statements, and is also defined as the ability to work impartially and objectively, the auditor must be impartial in all matters Parties and groups, the auditor's distinction of mental honesty makes his opinions unbiased. (Ben Moise ,Others , 2021) It is also important for the auditor that the public retains confidence in his independence and impartiality, and this confidence may be shaken by any evidence that this Independence does not exist, or that there are circumstances that may affect this independence in the eyes of the average person, so in order to be independent, the auditor must be free from any obligation to the client or Or in his ownership. The true independence of the auditor is achieved through his personality, dignity, dignity and defense of principles ,In addition The charters of the profession to which he belongs and the charters of the global audit have taken care of the issue of maintaining the independence of the auditor, and have therefore established some controls

and rules, for example It is forbidden to be the auditor of an enterprise in which he owns a significant part of that capital Affects his impartiality, as well as the members of his family; it is forbidden for the auditor to be a lender of the enterprise he is auditing. The auditor is prohibited from being a member of the board of Directors of the company he is auditing or acting as an adviser to. (Mustafa, 2008). There have been several crises experienced by external audit in Iraq, the latest of which was in the corona pandemic, where a study indicated (Cantaloupe, Al-Hamdani, 2022) In their study titled " Important external auditor in light of the corona pandemic -Tools and analysis- "The study aimed to describe the tasks of the external auditor during the corona pandemic, how to deal with this crisis and what is the role of the external auditor towards it, in addition to identifying the requirements and audit procedures in light of the corona pandemic. The two researchers have reached a set of results, the most important of which are for auditors in light of the corona pandemic to amend audit plans and develop alternative procedures appropriate to the health situation, and reassess the main aspects of the audit process as a result of the current situation in light of the corona pandemic, which may require more audit evidence. The two researchers recommended the most important recommendations to the relevant bodies and organizations to develop the recognized rules of the profession and include audit procedures in light of crises and pandemics, and pay attention to training accountants and auditors on external audit procedures in light of the pandemic, holding conferences and conducting interviews via the internet until the actual audit procedure.

If The profession of monitoring and auditing accounts is affected by a number of factors, which are reflected in the professional performance of its employees, which can be determined by the following : -(The hyoid , 2018)

- **Economic factors** : Perhaps the most notable is the general economic situation and the general level of prices .
- **Political factors** : It consists in the degree of government interest in the profession and the extent of its intervention in regulating the profession and providing protection and support to its members .
- **Cultural factors** : They are represented by the prevailing religious and pedagogical values and concepts in society and the awareness of society about the importance of the profession .
- **Legal and legislative factors** : It is one of the most important external environmental factors influencing the behavior of the external auditor, and here it can be said that economic, political and cultural factors are included by society and the laws and legislation it issues .

And for the purpose of Crisis management The actual variety must:

1. **Skills Leadership:** The leader of the organization must have distinctive skills from others, such as self-control and emotional stability , employing the necessary material, human and technical capabilities when needed, using the time available to make a decision , (Ismail ,2022) following up the procedures for dealing with the crisis from the scene of its occurrence and effective leadership capable of conducting the work as planned and achieving the goals set. (Al-Issa , Others , 2019).

2. **Target accuracy:** Setting the goal ,Identify the elements that caused the crisis , dividing them into primary and secondary elements depending on the degree of their impact , And identify the forces supporting these elements , Identify appropriate strategies and the appropriate timing of the attack or response , Expected reactions to threats and their consequences. (Burzan , 2021).

3. **Information system:** A set of elements interconnected among themselves, which collect, sort, classify, operate, analyze, save data, indicators, information extracted from them, ,(Serra et al ,2022) retrieve them when needed , and provide them to the decision maker in a timely manner . (Al-Ajmi , 2011).

4. **Coordination between departments and departments :** A crisis is an emergency event that threatens the organization and threatens its destruction, therefore it is necessary to unite efforts to confront the crisis and the reasons for its existence , by creating a kind of interconnection and flexible integration of activities and functions between various departments and divisions within the organization that facilitates the flow of information, exchange of opinions, ideas, emotions and feelings towards the organization. Hence, it can be said that the effectiveness of crisis management largely depends on the coordination processes between different departments and departments, which helps to quickly contain the crisis, and treat it as quickly as possible. (Tirawi, , 2008)

5. **Strategic planning:** That strategic planning and crisis management complement each other because each deals with change management, And crisis management focuses on the short moments of instability that must be dealt with first so that it becomes possible to carry out the larger and less time-sensitive task, which is to achieve strategic objectives, contrary to bad belief, the crisis is not necessarily bad but it is characterized by a degree of risk and uncertainty. (Al-Rifai , Global , 2016)

6. **Delegation of authority:** Events may have to make the appropriate decision quickly and without waiting for the responsible person, and this decision is within his competence , and delegation of authority in this area is inevitable and necessary, especially if the crisis occurred in several scattered and distant places.(The heel , 2014)

STUDY METHODOLOGY:

The external auditor is the person qualified to carry out the audit process and is responsible for the results of the audit process carried out by him according to a report that is managed and submitted by Qibla . (Vanstralen,2009)The various crises that have accompanied the Iraqi environment for external audit since the establishment of the Iraqi state until now have affected the reality of the companies (The carpenter,2009) Its effects became clear after March 2020 With the panic caused by this Coronavirus, a lot of stocks lost their value, asset prices fell and central banks expanded their asset purchase programs to provide liquidity to the markets , Undoubtedly, this pandemic is one of the most serious shocks to the Iraqi economy, as it threatens the human element, which is the main factor in the conduct of business and economic policies, and with the diligent attempts being made by those working in various fields to reduce the likelihood of a deep recession, the audit profession has also tended to consider updating the mechanism of At the international level, the International Auditing Standards Board has followed up guidance to the auditor in which it stressed the

importance of the appropriate application of auditing standards, and the issuance of the appropriate report with a focus on disclosures Purposeful and timely information about the possible effects of covid -19 On the financial and operational situation, proceeding from the above, the following main problematic comes to mind :

- What is the reality of external audit in the Iraqi environment during various crises
- What is the reality of external audit in the Iraqi environment during Covid -19 ?
- Is there a correlation or impact between external audit and various crises in the Iraqi industrial environment

This study seeks to shed light on the reality of external audit in light of crises and what is the impact on Crisis Management in the environment of Iraqi industrial companies, this study seeks to shed light on the reality of external audit in light of crises and what is the impact on Crisis Management in the environment of Iraqi industrial companies .

The study aims to show the reality of external audit in light of the crises and related to the work performed by the external auditor in the Iraqi environment in the environment of the industrial sector , F What are the various audit crises and how can they be managed The study shows the impact and correlation between The reality of external audit in Iraq and the various crises in the environment of industrial companies , In order to achieve the objectives of the study and solve its problem, the authors proposed the following two hypotheses:

There is a significant impact between the reality of external audit and the various crises in the Iraqi industrial environment at the level of significant 0.05.

There is a significant correlation between the reality of external audit and the various crises in the Iraqi industrial environment at a significant level 0.05.

The necessary information was collected to complete the study in its theoretical and applied aspects through the available literature, but in its practical framework, the industrial sector was relied on for companies(Baghdad soft drinks company-Al Hilal industrial company-ready-made clothing production company-Modern Chemical Industries Joint Stock Company- Al Mansour Pharmaceutical Industries Company) Its shares are listed on the Iraqi Stock Exchange and for a period of (2016 – 2020) , Market releases of the same sample.

The authors relied on Both deductive and analytical approaches , And may The spatial limits of the study were represented by the banking sector, while the temporal limits are represented by the years of2016-2020

A number of previous studies and literature have pointed out some of the variables of the current study, for example:

A study indicated (Al-Obeidi , 2021) Titled " The quality of the external auditor's performance in light of international auditing standards and external environment variables" The study examined the diagnosis of the quality level of the external auditor's performance in light of international auditing standards and external environment variables, The study has reached a set of conclusions and recommendations, the most important of which is that one of the most important components of the success of external audit practices and achieving quality in regulatory performance is to assign that task to a professional and competent external auditor who possesses a number of personal qualities, scientific and professional qualifications, including integrity, objectivity and transparency in .

A study indicated (Al-harbawi , 2019) Address " The role of administrative management in achieving the sustainability of family companies in Hebron" To demonstrate the role of Administrative Organization in achieving the sustainability of family businesses in Hebron, the researcher used the descriptive analytical method, where the study community consisted of all family businesses operating in Hebron . The results of the study showed that the perceptions of the members of the study sample about the areas of Administrative Organization in family businesses in Hebron city came to an average degree, and it was found that the dimension of the organizational structure is average, as well as organizational relations, and that the level of sustainability in family businesses in Hebron city came to a high.

The aim of the study(Hassan et al ,2020) Titled "External Audit Procedures and Their Effectiveness in Detecting the Practice of Creative Accounting: An analytic Study in the Iraqi Environment" To identify the deceptive methods used by corporate management in shading financial statements , A statement of the role of auditors in detecting the incorrect actions of companies listed on the Iraqi Stock Exchange , The study recommends that companies should be required to comply with the content of the international standard no (1) Presentation of financial statements and local accounting base no (6) Regarding the disclosure of information on financial statements and policies paragraph (9/ Basic principles and provisions) She pointed out the need to observe caution and caution when preparing financial statements and disclosing information related to them, provided that this does not justify the formation of secret or undeclared reserves, and this can be done by setting ratios for provisions that are created to meet expected losses according to certain scientifically and technically studied criteria.

References Study (, 2018 Grodz) Titled "The regulation of external audit in the UK and US and a proposal for a new audit model To Studying the role and organization of external audit in the UK and the USA the study argues that the existing audit model is fundamentally flawed, which negatively affects the quality of financial audits , the thesis proposes a new audit model that represents a key function in this model that will be played by an external public body - The Public Audit Board, which will be responsible for appointing and rewarding auditors who conduct audits in the public interest, It is recognized that the transfer of audits to the public sector is desirable in order to introduce truly independent auditors , to provide better quality of audits and restore public confidence in the capital markets.

And aimed Study (Nwoba,2019) Titled " Corporate sustainability strategies in institutional adversity : an examination of their institutional drivers, boundary conditions and market performance consequences " To investigate the institutional motivations, associated boundary conditions and market performance results of corporate sustainability strategies among emerging market companies based on institutional theory, institutional development logic, structure, behavior and performance model (SCP) The study proposes a conceptual model for proactive and responsive sustainability strategies for companies and tests it on a sample of 300 A company operating in Africa south of the Sahara Desert market, The results show that high-level managerial links and contacts with government and regulatory officials, senior managers of other companies and local community leaders regardless of levels of competition intensity drive proactive and responsive corporate sustainability strategies .

MATERIAL AND METHODOLOGY

Sample study :

For the purpose of completing the study task, a sample of the Iraqi industrial companies sector was selected in the Iraqi environment Industrial Where I chose (5) Companies (Baghdad soft drinks company-Al Hilal industrial company-ready-made clothing production company-Modern Chemical Industries Joint Stock Company- Al Mansour Pharmaceutical Industries Company).

Variants of the study :

- Independent variable** : Here in this study is the reality of external audit in the industrial sector at the Iraqi stock exchange for the period in the year (2016) Up to a year (2020).
- The dependent variable**: Namely, the management of various crises • In the industrial sector of the stock exchange for the period in (2016) Up to a year (2020).

Analysis and measurement :

- Measuring the external audit reality axis :**

In order to measure the variables of the study, the following methods were used, As to measure the reality of external audit in the industrial sector, a digital estimate has been used, which is when the external auditor uses modern methods and technologies in auditing companies, the study sample we give the number (1) If it is the other way around, we give a number (0) Which is not used . In the event that the external auditor uses some and fails others, we give the number (0.5) Where this analysis is based on an in-depth reading of the companies ' reports, the sample of the study for each year is according to the following:-

Table number (1) The reality of external audit according to the Department of various crises of a company Baghdad soft drinks

	Functional paragraphs	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Arithmetic mean
1	The external auditor uses analytical methods and technological techniques in the audit and has scientific and practical experience .	1	1	1	1	0.5	0.90
2	The external auditor has sufficient training among the top audit authorities on the use of Information Technology in calculations and auditing, and it does not use traditional frameworks .	0.5	0.5	0.5	0.5	0.5	0.5
3	The external auditor uses various methods of analysis, including those related to the audit of previous events, reviewing the reports of the former auditor and taking his recommendations .	1	1	1	1	0.5	0.90
4	The external auditor's dependence on the two international standards no (700IAS) F(705 IAS)	1	1	1	1	0.5	0.90

5	The use of sufficient powers in the application of audit laws and the absence of legislation or laws obliging the use of information technology as a reason not to use it.	0.5	0.5	0.5	0.5	0.5	0.5
6	The external auditor has English language skills that make them able to use information technology effectively and this is what his report shows.	0.5	0.5	0.5	0.5	0.5	0.5
7	The external auditor uses information technology to help better assess future risks.	0.5	0.5	0.5	0.5	0.5	0.5
8	The external auditor uses information technology to complete and audit calculations, which helps him to distribute tasks to employees better.	0.5	0.5	0.5	0.5	0.5	0.5
9	The external auditor uses information technology in audits to more accurately calculate the size of the audit sample At the time of the opinion.	0	0	0	0	0.5	0.1

Table number (2) The reality of external audit according to the Department of various crises of a company Crescent industrial

	Functional paragraphs	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	The middle Calculation
1	The external auditor uses analytical methods and technological techniques in the audit and has scientific and practical experience .	1	1	1	1	0.5	0.90
2	The external auditor has sufficient training among the top audit authorities on the use of Information Technology in calculations and auditing, and it does not use traditional frameworks .	0.5	0.5	0.5	0.5	0.5	0.5
3	The external auditor uses various methods of analysis, including those related to the audit of previous events, reviewing the reports of the former auditor and taking his recommendations .	1	1	1	1	0	0.8
4	The external auditor's dependence on the two international standards no (700IAS) F(705 IAS)	0.5	0.5	0.5	0.5	0.5	0.5
5	The use of sufficient powers in the application of audit laws and the absence of legislation or laws obliging the use of information technology as a reason not to use it.	0.5	0.5	0.5	0.5	0.5	0.5
6	The external auditor has English language skills that make them able to use information technology effectively and this is what his report shows.	0.5	0.5	0.5	0.5	0.5	0.5

7	The external auditor uses information technology to help better assess future risks.	0.5	0.5	0.5	0.5	0.5	0.5
8	The use of Information Technology in the completion and audit of calculations helps in better distributing tasks to employees	0.5	0.5	0.5	0.5	0.5	0.5
9	The external auditor uses information technology in audits to calculate the size of the audit sample more accurately when expressing an opinion	0	0	0	0	0	0

Table number (3) The reality of external audit according to the Department of various crises of a company Production of ready-to-wear

	Functional paragraphs	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	The middle Calculation
1	The external auditor uses analytical methods and technological techniques in the audit and has scientific and practical experience .	0.5	1	1	1	0.5	0.80
2	The external auditor has sufficient training among the top audit authorities on the use of Information Technology in calculations and auditing, and it does not use traditional frameworks .	0.5	0.5	0.5	0.5	0.5	0.5
3	The external auditor uses various methods of analysis, including those related to the audit of previous events, reviewing the reports of the former auditor and taking his recommendations .	0.5	1	1	1	0	0.7
4	The external auditor's dependence on the two international standards no (700IAS) F(705 IAS)	0.5	0.5	0.5	0.5	0.5	0.5
5	The use of sufficient powers in the application of audit laws and the absence of legislation or laws obliging the use of information technology as a reason not to use it.	0.5	0.5	0.5	0.5	0.5	0.5
6	The external auditor has English language skills that make them able to use information technology effectively and this is what his report shows.	0.5	0.5	0.5	0.5	0.5	0.5
7	The external auditor uses information technology to help better assess future risks.	0.5	0.5	0.5	0.5	0.5	0.5
8	The use of Information Technology in the completion and audit of calculations helps in better distributing tasks to employees.	0.5	0.5	0.5	0.5	0.5	0.5
9	The external auditor uses information technology in audits to calculate the size of the audit sample more accurately when expressing an opinion.	0	0	0	0	0	0

Table number (4) The reality of external audit according to the Department of various crises of a company Modern chemical industries contribute

	Functional paragraphs	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Arithmetic mean
1	The external auditor uses analytical methods and technological techniques in the audit and has scientific and practical experience .	0.5	0.5	0.5	0.5	0.5	0.80
2	The external auditor has sufficient training among the top audit authorities on the use of Information Technology in calculations and auditing, and it does not use traditional frameworks .	0.5	0.5	0.5	0.5	0.5	0.5
3	The external auditor uses various methods of analysis, including those related to the audit of previous events, reviewing the reports of the former auditor and taking his recommendations .	0.5	0.5	0.5	0.5	0	0.5
4	The external auditor's dependence on the two international standards no (700IAS) F(705 IAS)	0.5	0.5	0.5	0.5	0.5	0.5
5	The use of sufficient powers in the application of audit laws and the absence of legislation or laws obliging the use of information technology as a reason not to use it.	0.5	0.5	0.5	0.5	0.5	0.5
6	The external auditor has English language skills that make them able to use information technology effectively and this is what his report shows.	0.5	0.5	0.5	0.5	0.5	0.5
7	The external auditor uses information technology to help better assess future risks.	0.5	0.5	0.5	0.5	0.5	0.5
8	The use of Information Technology in the completion and audit of calculations helps in better distributing tasks to employees.	0.5	0.5	0.5	0.5	0.5	0.5
9	The external auditor uses information technology in audits to calculate the size of the audit sample more accurately when expressing an opinion.	0	0	0	0	0	0

Table number (5) The reality of external audit according to the Department of various crises of a company Al Mansour Pharmaceutical Industries

	Functional paragraphs	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Arithmetic mean
1	The external auditor uses analytical methods and technological techniques in the audit and has scientific and practical experience .	0.5	0.5	0.5	0.5	0.5	0.5
2	The external auditor has sufficient training among the top audit authorities on the use of Information Technology in calculations and auditing, and it does not use traditional frameworks .	0.5	0.5	0.5	0.5	0.5	0.5

3	The external auditor uses various methods of analysis, including those related to the audit of previous events, reviewing the reports of the former auditor and taking his recommendations .	0.5	0.5	0.5	0.5	0.5	0.5
4	The external auditor's dependence on the two international standards no (700IAS) F(705 IAS)	0.5	0.5	0.5	0.5	0.5	0.5
5	The use of sufficient powers in the application of audit laws and the absence of legislation or laws obliging the use of information technology as a reason not to use it.	0.5	0.5	0.5	0.5	0.5	0.5
6	The external auditor has English language skills that make them able to use information technology effectively and this is what his report shows.	0.5	0.5	0.5	0.5	0.5	0.5
7	The external auditor uses information technology to help better assess future risks.	0.5	0.5	0.5	0.5	0.5	0.5
8	The use of Information Technology in the completion and audit of calculations helps in better distributing tasks to employees.	0.5	0.5	0.5	0.5	0.5	0.5
9	The external auditor uses information technology in audits to calculate the size of the audit sample more accurately when expressing an opinion.	0.5	0.5	0.5	0.5	0.5	0.5

- Measuring the axis of diversified crisis management :**

For the purpose of measuring the dependent variable, which includes the management of the various crisis, the financial reports of companies have been determined (Baghdad soft drinks company-Al Hilal industrial company-ready-made clothing production company-Modern Chemical Industries Joint Stock Company- Al Mansour Pharmaceutical Industries Company). Where measurement and analysis are carried out based on the events experienced by the company and the demands of the external auditor to correct them due to the crises experienced by companies , As this is done through the extent of response to the management's

corrections regarding the deviation from performance as a result of the crises it has gone through and as a result, the authors have adopted that in the case of response and rapid change, a number is given (1) In case of non-response to the external auditor's observations, we put the number (0) , In case of responding to some and refraining from others, we give (0.5) Accordingly, we list the analyzes according to the following table :-

Table number (6) Diversified crisis management For company Baghdad soft drinks

	Details	Year2016	Year2017	Year 2018	Year 2019	Year 2020	The middle Calculation
1	The necessary management changes are made as a result of the analysis of the situation after the diagnosis by the external auditor of the crisis.	0.5	0.5	0.5	0.5	0.5	0.5
2	The resources that the company needs after the diagnosis are provided by the post-crisis external auditor.	1	0.5	0.5	0.5	0	0.5
3	The necessary trainings are provided regarding the recommendations of the external auditor after the crisis.	1	1	1	1	0.5	0.9
4	Post-crisis employees are given new duties and responsibilities commensurate with the recommendations proposed by the external auditor.	0	0	0	0	0	0
5	During a crisis, there is a rapid response process to situations that we may encounter by senior management .	0.5	0.5	0.5	0.5	0.5	0.5
6	All observations are taken by the management regarding the recommendations of the external auditor .	0.5	0.5	0.5	0.5	0.5	0.5

Table number (7) Diversified crisis management For company Crescent industrial

	Details	Year2016	Year2017	Year 2018	Year 2019	Year 2020	The middle Calculation
1	The necessary management changes are made as a result of the analysis of the situation after the diagnosis by the external auditor of the crisis.	0.5	0	0	1	0.5	0.4
2	The resources that the company needs after the diagnosis are provided by the post-crisis external auditor.	0.5	0.5	0.5	0.5	0	0.4
3	The necessary trainings are provided regarding the recommendations of the external auditor after the crisis.	1	1	1	1	0.5	0.9
4	Post-crisis employees are given new duties and responsibilities commensurate with the recommendations proposed by the external auditor.	0	0	0	0	0	0
5	During a crisis, there is a rapid response process to situations that we may encounter by senior management.	0.5	0.5	0.5	0.5	0.5	0.5
6	All observations are taken by the management regarding the recommendations of the external auditor.	0.5	0.5	0.5	0.5	0.5	0.5

Table number (8) Diversified crisis management For company Production of ready-to-wear

	Details	Year2016	Year2017	Year 2018	Year 2019	Year 2020	The middle Calculation
1	The necessary management changes are made as a result of the analysis of the situation after the diagnosis by the external auditor of the crisis.	0.5	0.5	0.5	0.5	0.5	0.5
2	The resources that the company needs after the diagnosis are provided by the post-crisis external auditor.	0	0.5	0.5	0.5	0	0.3
3	The necessary trainings are provided regarding the recommendations of the external auditor after the crisis.	1	1	1	1	0.5	0.9
4	Post-crisis employees are given new duties and responsibilities commensurate with the recommendations proposed by the external auditor.	0	0	0	0	0	0
5	During a crisis, there is a rapid response process to situations that we may encounter by senior management.	0.5	0.5	0.5	0	0	0.3
6	All observations are taken by the management regarding the recommendations of the external auditor.	0.5	0.5	0.5	0.5	0.5	0.5

Table number ((9 Diversified crisis management For company Modern chemical industries contribute

	Details	Year2016	Year 2017	Year 2018	Year 2019	Year 2020	The middle Calculation
1	The necessary management changes are made as a result of the analysis of the situation after the diagnosis by the external auditor of the crisis.	0	0.5	0.5	0.5		0.3
2	The resources that the company needs after the diagnosis are provided by the post-crisis external auditor.	0	0.5	0.5	0.5	0	0.3
3	The necessary trainings are provided regarding the recommendations of the external auditor after the crisis.	0.5	0.5	0.5	0.5	0.5	0.5
4	Post-crisis employees are given new duties and responsibilities commensurate with the recommendations proposed by the external auditor.	0	0	0	0	0	0
5	During a crisis, there is a rapid response process to situations that we may encounter by senior management .	0.5	0.5	0.5	0.5	0.5	0.5
6	All observations are taken by the management regarding the recommendations of the external auditor .	0.5	0.5	0.5	0.5	0.5	0.5

Table number 10) (Diversified crisis management For company Al Mansour Pharmaceutical Industries

	Details	Year2016	Year 2017	Year 2018	Year 2019	Year 2020	The middle Calculation
1	The necessary management changes are made as a result of the analysis of the situation after the diagnosis by the external auditor of the crisis.	0.5	0.5	0.5	0.5	0.5	0.5
2	The resources that the company needs after the diagnosis are provided by the post-crisis external auditor.	0	0.5	0.5	0.5	0	0.3
3	The necessary trainings are provided regarding the recommendations of the external auditor after the crisis.	0.5	0.5	1	1	0.5	0.7
4	Post-crisis employees are given new duties and responsibilities commensurate with the recommendations proposed by the external auditor.	0	0	0	0	0	0
5	During a crisis, there is a rapid response process to situations that we may encounter by senior management .	0.5	0.5	0.5	0.5	0.5	0.5
6	All observations are taken by the management regarding the recommendations of the external auditor .	0.5	0.5	0.5	0.5	0.5	0.5

Proof of the study hypotheses

This paragraph is interested in analyzing and proving the hypothesis of the study, which states:

H0 There is no significant correlation between the reality of external audit and the various crises in the Iraqi industrial environment at a significant level 0.05.

H1 There is no significant correlation between the reality of external audit and the various crises in the Iraqi industrial environment at a significant level 0.05.

The table below shows the results of the analysis :-

Schedule (11) Values of simple correlation coefficients (Person) Among the variants of the study

		The reality of external audit	Managing various crises
The reality of external audit	Pearson Correlation	1	-.267-
	Sig. (2-tailed)		.153
Managing various crises	Pearson Correlation	-.267-	1
	Sig. (2-tailed)	.153	

Table results indicate (11) To the fact that there is a correlation between the reality of external audit and the management of various crises, it has reached(0.267-) It is a negative relation i.e. (Weak inverse relationship) That is, the higher the quality of the external auditor's performance, the lower the crises experienced by industrial companies, which are at a lower moral level than (0.05),Which indicates the acceptance of the alternative hypothesis that states (There is a significant correlation between the reality of external audit and the various crises in the Iraqi industrial environment at a significant level 0.05.) He rejected the null hypothesis that states (There is no significant correlation between the reality of external audit and the various crises in the Iraqi industrial environment at a significant level 0.05.).

The table below shows the results of proving the impact hypothesis, which states that :-

H0 No There is a significant impact between the reality of external audit and the various crises in the Iraqi industrial environment at the level of significant 0.05.

H1 There is a significant impact between the reality of external audit and the various crises in the Iraqi industrial environment at the level of significant 0.05.

Schedule (12) The regression effect equation Between the reality of external audit and the various crises in The Iraqi industrial environment

Route		Standard estimate	Standard error	Critical value	Value R ²	Sig.
The reality of external audit	--->	Various crises	0.944	0.010	90.400	0.872

Through the analysis, it becomes clear that the reality of external audit contributed to the interpretation of the amount of (0.872) One of the differences in various crises, While the residual value represents factors that are not included in the study area. Based on the above,

the results show the validity of the hypothesis claim " There is a significant impact between the reality of external audit and the various crises in the Iraqi environment Industrial At an indicative level 0.05.

CONCLUSION

This study seeks to shed light on the reality of external audit in light of crises and what is the impact on Crisis Management in the environment of Iraqi industrial companies, this study seeks to shed light on the reality of external audit in light of crises and what is the impact on Crisis Management in the environment of Iraqi industrial companies . FThe study aims to show the reality of external audit in light of the crises and related to the work performed by the external auditor in the Iraqi environment in the environment of the industrial sector , The study shows the impact and correlation between the reality of external audit in Iraq and the various crises in the environment of industrial companies. The necessary information was collected to complete the study in its theoretical and applied aspects through the available literature, but in its practical framework, the industrial sector of companies was relied upon(Baghdad soft drinks company-Al Hilal industrial company-ready-made clothing production company-Modern Chemical Industries Joint Stock Company- Al Mansour Pharmaceutical Industries Company) Its shares are listed on the Iraqi Stock Exchange and for a period of (2016 – 2020) , Market releases of the same sample. The authors relied on Both deductive and analytical approaches , And may The spatial limits of the study were represented by the banking sector, while the temporal limits are represented by the years of 2016-2020 , The study found that There is a correlation between the reality of external audit and the management of various crises, it has reached(0.267-) It is a negative relation i.e. (Weak inverse relationship) That is, the higher the quality of the external auditor's performance, the lower the crises experienced by industrial companies, which are at a lower moral level than (0.05),Which indicates that there is A significant correlation between the reality of external audit and the various crises in the Iraqi industrial environment at a significant level 0.05. It turned out The fact that the external audit contributed to the explanation of the amount of (0.872) One of the differences in various crises, While the residual value represents factors that are not included in the study area. Based on the above, the results show the validity of the hypothesis claim " The presence of a significant impact between the reality of external audit and the various crises in the Iraqi industrial environment at the level of significant 0.05.

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