



The Role Of International Auditing Standards In Enhancing Auditor Skills

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ABSTRACT

This paper explores the effects of international standards on auditing on the professional growth of the auditors. It tries to outline the advantages as well as the obstacles that can be faced by auditors in implementation of these standards using a descriptive and analysis framework to examine the correlation between compliance and skill development in the regulatory world.

To meet these objectives, an electronic questionnaire was developed using a theoretical framework that exists. The instrument was distributed to a purposive sample of university professors, researchers and professionals within government organisations specialising in auditing, finance, accounting as well as administrative science, and thus generated an informed response of the items. Thirty-nine respondents were engaged in total and their data were worked out with the help of the SPSS in order to provide opportunities to make the rigorous statistical inference.

The conducted analysis has produced a strong positive correlation between the implementation of international auditing standards and the enhancement of auditors competences, which serves as the proof of the direct association of the said standards with accuracy and dependability of the audit process.

The research, therefore, advises the public and the private sector organisations to set up periodic training programmes to provide auditors with a detailed knowledge of latest international standards and their practical use. In addition, academic programs should be modified to include international auditing material in a systematic manner where graduates in the future will be well equipped to manoeuvre the international audit practice.

Keywords: International Auditing Standards, External Auditor, Internal Control, External Audit.

INTRODUCTION

The International Standards on Auditing (ISAs) represent a binding standard in the auditing

profession of the world, which provides a single procedural guideline that enhances trust in financial reports by ensuring accuracy and

reliability. The ISAs attempt to ensure the consistent use of best practices in the audit procedure and increase the quality control in the field work, strengthening the integrity of the audit findings.

The competence of the auditor therefore plays a leading role in the effectiveness of the audit role with the competence effectiveness determined by issues such as familiarity of an auditor of the relevant standards and understanding of the current trends in the auditing profession. These skills are developed as part of the general strength of the profession.

ISAs take a central position in building technical and practical awareness of the auditors that provide them with the instruments needed to perfect their professional knacks and allow them to apply strict methods consistently.

The existing research will examine the way in which ISAs improve the capacities of auditors to evaluate the extent to which standards improve financial analysis, compliance to sound procedural guidelines as well as the production of authentic and reliable reports in a range of audit settings.

Besides, the study will also investigate the obstacles that the auditors could face in the implementation of ISAs, and how these barriers affect the quality of their work and the overall audit process.

Finally, the study will demonstrate how the implementation of ISAs among auditors is a resounding step in the level of professional competence, thus, strengthening the trust in the financial performance of the institutions and businesses in the world economy.

Section 1: Research Methodology and Previous Studies

First: Research Methodology

The methodology of research relies on a chain of logically harmonious actions that are aimed at deconstructing the impact of IAS on building the competencies of auditors. Certain academic approaches will be tapped to fit the purposes of the study and obtain results that will be accurate and reliable.

1.1 Research Problem

IAS are invaluable tools, which the auditors use to ensure the accuracy and trustworthiness of the financial reports. At the time of rapid change and increased questioning in the corporate environment, the necessity to evaluate the impact that these standards have on the competence of acquiring skills in auditors and their ability to

adjust to new demands is acute. In this respect, the research problem can be defined as follows: Do IAS have significant influence on the development of skills of auditors? And how are these standards going to improve the overall effectiveness of the auditing profession?

1-2 Research Hypothesis

The main hypothesis that will be used to conduct this investigation is as follows: The implementation of the International Standards on Auditing (ISAs) does not have a statistically significant effect on the improvement of the skills of auditors.

1-3 Research Objectives

This question aims at answering the following objectives:

To test the functions of ISAs in developing technical competence of auditors.

- To outline the issues the auditors face in adopting the standards.

To value the role of the standards in improving the quality and effectiveness of audit results.

1-4 Significance of the Research.

The study value of this work is in the emphasis on the role of ISAs in the enhancement of the competencies of auditors. Technical and managerial prowess of auditors is one of the pillars of audit success. Therefore, the results provide practical information that can be used to direct auditor training programmes and performance correction measures.

1-5 Temporal and Spatial Boundaries.

- Temporal: The temporal limitation of the study is limited to the fiscal year in which the questionnaire was conducted that is, 2025.

- Spatial: The study will focus on auditors working with the private audit firms and government financial institutions in Iraq.

Second: Previous Studies

1. Arab Studies

a. Study by Ziyadi et al. (2020)

(Audit Title: Audit Methodology in accordance with the international auditing standards)

This paper aims at shedding light on the relevance of the use of International Auditing Standards during the process of conducting an audit. It shows that ISAs give significant focus to field-work rules, and report-preparation rules and allocate specific guidance to each and deal with them elsewhere in other standards. The research is representative of the efforts made by the Institute of Internal Auditors to standardise practice in the field of work and reduce professional divergence amongst practitioners.

b. Study by Sahrawi and Zaarour (2021)

(Name of the study: The Role of Analytical Review in the enhancement of the performance of the external auditor: a case study of the subsidiary company, Haboub Ziban -El Kantara Industrial Complex)

The purpose of the investigation is to establish the effectiveness of analytical review in improving the performance of external auditors in situations when they are used. Auxiliary variables like the size of the firm are also analysed. To achieve these goals, the authors of the paper implemented a field research in an economic institution in Algeria and used analytical review methods. The results confirm that the experience of working with analytical auditing techniques has a strong impact on the performance of auditors.

T. Study by Hamidatou (2022)

The research aimed to investigate how the Algerian environment affects international auditing standards.

The study attempts to establish the relevance of International Auditing Standards in Algeria by assessing the appropriateness of the Algerian situation against the requirements and conditions of international auditing of accounting. The author gives descriptive-analytical survey of both international and Algerian auditing standards. In practice, a comparative analysis of the two frameworks is carried out. To gather the required number of viewpoints that will allow testing the hypothesis, a questionnaire is designed and it will be sent to the professionals (auditors, accounting professionals) and university scholars with accounting and auditing specialisation. The conclusion of the study is that the profession must aim at issuing Algerian auditing standards that meet the requirements of the profession and requiring them to be practically enforced, moreover, they should be based on and adjusted to the local environment.

1. Foreign Studies

a. Study (Adjila, 2024)

The research question will be as follows: (Title of the study: The Requirements of Applying the International Audit Standards in Algeria).

This essay attempts to determine the requirements and conditions of the adoption of International Auditing Standards in Algeria and appreciates the relevance of harmonisation in the accounting systems and practices. It examines previous attempts to implement and take advantage of IAS, and speculates over the

consequences of their use. The central research question that will be answered using a descriptive-analytical approach is about how IAS can be applied in Algeria. The research makes inferences and conclusions such as the need to draft new legal texts that could meet international professional requirements, and therefore creating a platform that the adoption and adaptation of IAS can occur; using expertise of proven international auditing firms, which the participants of the audit report can trust to provide high quality audit reports; and creating a platform through which academics, practitioners, and regulators can discuss the issue.

b. Laifa and Meerani (2024) study entitled Responsibility of the External Auditor in Assessing and Responding to Internal Control Risks When Auditing Financial Statements is expected to produce information on the responsibility of the external auditor in evaluating and responding to internal control risks in the course of auditing financial statements. The paper has developed a multi-stage self-checklist on internal-control risk assessment. Twenty external auditors were also administered the checklist, and interviewed to determine their compliance with the internal-control risk assessment procedures and appropriateness in identifying fraudulent errors. Findings show that the auditors interviewed use requisite procedures to address internal-control risks thus determining the success of their audit programmes.

Section Two: The Theoretical Framework of the Research

First Requirement: Philosophical Framework of International Auditing Standards.

2.1 Conceptual Framework of international auditing standards.

International Standards on auditing (ISAs) are an assembly of professional rules and guidelines issued by the International Auditing and Assurance Standards Board (IAASB) a subsidiary of the International Federation of Accountants (IFAC). These standards pursue to control and raise the technical aspect of financial auditing and therefore attain high standard of quality in examination of financial statements.

2.2 Auditing Standards, Emergence and Development.

The vision of the auditing standards is to promote transparency and credibility in financial transactions and control the practices used by auditors to make them adhere to professional due diligence. IAASB, the affiliate of IFAC the global

representative body of the accounting profession, issues the ISAs and has more than 250 member organizations located in about 130 countries, and includes over 2.5 million accountants on a global scale (Arens et al., 2017: 32). Professional and international bodies adopt these standards in order to offer global harmonization and consistency in the practices of auditing. The formation of auditing standards is not a new practice and it has its origins way back in accounting history. One of the earliest efforts to put forth a standardized regulatory framework on which auditing practices could be regulated was the American Institute of Certified Public Accountants (AICPA) which in the late 1930s and early 1940s issued nine auditing standards. These criteria became a big step towards the creation of the sphere of auditing and its quality and transparency. The attempts by the international community to prepare and revise the auditing standards have not stopped since that time, as the world experiences the blistering economic and technological changes (Al-Hashemi et al., 2010: 153).

Between 1939 and 2002 the Auditing Standards Board of the Institute of Chartered Certified Accountants (AICPA) made a series of statements on audit procedures, the period between 1939 and 1972, and statements on Standards on Auditing (SASs) that have been in effect since 1972. These publications were aimed at giving guidelines on how to carry out audits in a good and systematic manner. This is the time when the auditing standards changed dramatically, especially after the occurrence of large financial scandals with Enron and WorldCom, which showed that auditors were not able to identify such fraud (Louwers et al., 2021: 44). It is also notable that the establishment of the International Auditing Standards is a major step in the direction of growth of the auditing profession in the environment of globalization. Professional organizations and researchers should also make efforts to reconcile international and local standards and keep them adapted to changes in the economic and social environment.

2-3 The Concept of International Auditing Standards.

The international auditing standards are also the main pillars on which accountants and auditors base on when undertaking financial auditing in different parts of the world. The IAASB is an independent organization which sets these standards in the name of IFAC. The IAASB participates in a consultation with other regulatory

bodies and standards-setters in order to ensure the protection of the interest of the public in accounting and financial reporting. The IFAC is of the opinion that such a uniform set of core standards needs to be enforced to promote the reliability of the information used by those dependent on financial information (Soltani, 2007: 131). Although there are different definitions that are used by different researchers and practitioners, the overall point that comes out is that the international auditing standards are meant to create a single framework that enhances the quality and transparency in the audit processes and enhances credibility of financial reports. AICPA stated that an auditor is an expression of professional personal qualities that an auditor must have and the main steps of an audit process to arrive at the necessary evidence to allow the auditor to express the opinion about the fairness of financial statements, in addition to what the opinion will entail (Latifa & Haja, 2020: 4). ISAs are principles, controls and standards defined by the professional and international organizations and such standards should be followed and applied by the auditors in the execution of their functions. These standards are the basis, on which the auditor is expected to report the commitment to professional care, which is a step to attest the quality of performance and increase independence in audit practice (Shanishil et al., 2024: 57-58). According to IFAC, they are a general term to denote the standards that will be used to audit financial statements, and the standards that will be used when it comes to related services and reporting about the reliability of the statements (Hiba et al., 2017: 425).

Why International Auditing Standards are Important.

The new standards proposed by the International Federation of Auditors (IFA) can offer the required background to the external auditors so that they can carry out their work. The standards provide auditors with knowledge, ideas and processes that allow them to perform their duties with great quality and efficiency. These standards are important because of a number of reasons (Haddad, 2016: 41):

- International auditing standards offer a model through which the behavior of the professionals are controlled and directed to the best performance.
- They also help in increasing the efficiency of external auditors and their performance, and assess the quality of their work by giving them the

required guidelines and the required standards in carrying out their tasks.

- They are an instrument that can be used in any financial statement, in terms of their size, the nature of business, the type of industry, and the purpose of the organization (profit or non-profit).
- They supplement national standards which exist.
- They promote better collaboration between the local and international audit firms.

The shift in globalization, liberalization of international trade and emergence of information technology require coalescing of auditing standards and international standards form the basis to such coalescing.

The international standards are more homogenous in different countries compared to the national standards of most countries. The growth of multinational companies results in the growth of dependency on multinational auditing standards. The presence of international standards that explicitly shows applicability will encourage confidence among the users of audit reports in other nations on the opinion of the auditor. This increases the credibility of the report of the external auditor and creates credibility to the financial statements that it reports. International standards allow readers and the users to undertake international financial comparisons by pointing out the merits of International Accounting Standards. The international standards of auditing will ease the inflow of the capital required in investments, especially in the developing and expanding sectors and areas.

2.5 Objectives of International Auditing Standards

The international auditing standards have the following objectives that are set to fulfill the requirements of diverse stakeholders; the objectives target the improvement of professional competence. Such goals may be summed up in the following points (Shanishil et al., 2024: 60).

These standards play a significant role in minimizing the probability of the potential issues that may occur when preparing consolidated financial statements on economic entities and companies that are based internationally.

The International Standards on Auditing (ISAs) consist of auditing rules and guidelines, which facilitate the standardization of the character and message of the external auditors report towards internationally accepted standards.

One of the benefits of ISAs is that they give many countries an easy way and cheaper way to fulfill their local requirements than the local standards,

thereby expanding the auditing profession in the international market.

These standards are very flexible and thus they are able to respond well to changes in the needs in financial markets, and the needs of individuals and institutions involved in the financial market.

2.6 Generally Accepted Auditing Standards (GAAS). GAAS comprises of principles and rules that govern auditors on how they conduct their audit to make financial statements accurate and transparent. These standards have been put in place to make sure that the audit is carried out in the best possible professional standards and that it would be accurate in terms of reflecting the financial position of the entity.

2-6-1 General Standards:

General standards are concerned with personal qualification of the auditor. They represent a series of standards that involve personal and professional experiences of the individual. They are also known as personal standards and they encompass the following (Ghania & Zuhair, 2018: 180):

a. Academic and Practical Qualifications: The audit shall be done by a qualified external auditor who has the required training and competence to undertake the audit in accordance with quality standards. This is done by undertaking further studies, field practice and being informed about the changes in the field of auditing.

b. Impartiality and Independence: Independence is one of the pillars of auditing. To perform unbiasedly, the auditor should not be biased by adhering to the principles of independence and impartiality. When the value of the auditor report is based on giving unbiased opinion, the loss of objectivity by the auditor will undermine the value of the report.

c. Due Professional Care: The populace expects the auditor to execute his/her functions effectively and professionally. Thus, this standard underlines the fact that due professional care should be used at every audit stage. Auditor is thought of as a professional who is expected to carry out his /her duties with diligence, thus necessitating the working papers to be completed, the sufficiency of the audit evidence, and objectivity of the reports.

2.6.2 Fieldwork Standards:

The fieldwork standards are a set of principles and guidelines which guide the auditors in their field work. The standards are meant to ensure that the audit is systematic and methodical in an attempt to attain accuracy and transparency in the collection

and analysis of evidence. They consist of the following (Khanqawi, 2023: 10):

a. **Appropriate Supervision and Planning:** The external auditor should prepare an elaborate audit plan, assign tasks and set the necessary tests. To have a successful implementation, there should be enough assistants allocated and to have the right supervision to see that everything was done fully based on the performance standards.

b. **Assessment of the Internal Control System:** The auditor should receive a detailed report of the internal control system and signed by the concerned parties. This report will be the beginning point of discussing the system and its implementation. An auditor is supposed to control the real practices, and make sure that they are effective.

c. **Adequate Evidence:** To meet this standard, the audit should be considered as a holistic way of collecting evidence. The key goal is to deliver an objective technical evaluation of the truth about the financial statements. The stakeholders increase the confidence of the audit process.

2.6.3 Reporting Standards:

Reporting standards are a systemic group of criteria, rules and guidelines that auditors must follow when preparing the auditor report. They represent the key and central factors that should be integrated (Rifa'ah, 2017: 142). In an effort to ensure that the right message has been conveyed to those using financial statements, the American Institute of Certified Public Accountants (AICPA) has outlined four basic standards that should be contained in the auditor report. Such standards are essential in ensuring the quality and effectiveness of the report in meeting the requirement of this category of users (Al-Dhanibat, 2009: 54-55):

In the opinion section, the report is expected to find a statement that shows whether financial statements were prepared in accordance with generally accepted accounting principles or not.

* The auditor ought to disclose in the report that either the accounting principles used in the preparation of the new financial statements are different to those that were used in the previous period or not.

It is assumed that the financial statements consist of a collection of data and disclosure which is adequate and suitable to meet the relevant requirements. In case such information is not given as required, the auditor should indicate clearly the inadequacy or inappropriateness of the disclosure.

* The report should have a written opinion that conclusively describes the outcome of the audit.

Requirement: Philosophical Framework and Skills of the Auditor.

2.7 The Concept of the Auditor

The auditors have a major role of auditing both publicly traded and privately owned financial statements. Mainly in different jurisdictions, auditors are categorized under different types with varied accountabilities. Independent auditors are often recognized by a professional body or government body. In most countries, their power lies in the commercial or national corporate law. However, in some jurisdictions, including the United States and Canada state or provinces play a major role in determining the identity and qualification of auditors (Rick et al., 2005: 18-19). An auditor can be described as a licensed, qualified and independent professional who is licensed to perform audits. They are supposed to give a fair professional opinion on the accuracy and fairness of the financial statements that are being presented by an organization or project in a period of time. The auditor develops a final report on the findings of the audit according to the internationally accepted laws, regulations, and standards and forwards the findings to the relevant party to make informed decisions (Shanishil et al., 2024: 58). An auditor does not have a vested interest in the entity whose financial statements are under audit since he is not a member or employee of the organization, but an independent contractor. This is because in offering services separately, the auditor is accorded liberty and objectivity in the execution of their responsibilities. Even though external auditors can provide different services, most of them are associated with the analysis of financial statements. These procedures assist the independent auditor to publish a professional statement, which indicates the fairness of the financial statements under the generally accepted accounting principles (GAAP) (Khalil and Ahmed, 2023: 275).

2-8 In a Nutshell Concept of Auditor Skills.

According to American heritage Dictionary of the English language, skill refers to proficiency or aptitude, that is developed or trained by way of practice or training; or it is a specific art or craft or technique, that is, the ones which require the use of part or the entire body; or it is a talent or acquired ability, as writing and speaking skills. The competent individual is assigned the role of a person who has some skill or can perform it; or a person who is an expert in their area of business (Al-Ta'i & Jaber, 2022: 68). The skills of the auditor

can be understood as the ability of the individual to carry out his or her work in the work environment, and it may be possible to reach the expected results due to the presence and effective use of the required knowledge, skills, and abilities. The competence also involves the capacity to plan and organise work, be creative in performance, and work collaboratively with colleagues, the management, and clients (Fatiha and Masouda, 2022: 5).

2-9 Auditor Skills

The professional competencies required of an auditor to undertake the work with high quality are manifested in several aspects. The following competencies are the most important:

Knowledge of Audit Process: The external auditors should be in a position to be able to understand the type of business of the client, i.e., the entity under audit. This requires a perfect combination of speed and accuracy in developing a holistic analysis of the works and attributes attached to that institution. A skilled auditor is one who is capable of detecting and internalising the character of communications and relationship existing in the economic entity. It is with this understanding that the auditor will then plan the audit process wisely in its stages. This highlights the urgency of the fact that the external auditor should have a comprehensive understanding of his work, especially in the context of the various aspects of external audit processes (Al-Ta'i and Jaber, 2022: 69).

Intellectual Skills: These capabilities are considered as supportive factors that remodel the cognitive capabilities of the auditor and promote logical thinking, which makes a significant contribution to the adequate decision-making. They also steer auditors towards projecting the future and making relevant conclusions, as well as provide them with the ability to come up with solutions to the practical issues they face (Lazhari and Muhammad, 2022: 277).

Technical and Functional Skills: The skills help the auditor to gain intimate insights into the basics of accounting and thus provide a sound scientific base on which the auditor can perform her/his tasks efficiently and effectively. Technical and functional competence requires an auditor to possess the following qualities (Fatiha and Masouda, 2022: 6):

- The extensive information on applications used to solve accounting issues, such as the use of numerical applications to measure, analyse

financial data, and decision-making procedures, and the use of programmes like Excel.

- The ability to rationally use information-systems technology and the related tools, applying them to addressing issues connected to business and accounting.

- The ability to write reports that are technically sound as well as functionally sound.

- Wide knowledge of legal and regulatory legislation, as this type of legislation is a critical component, which directly affects the processes, practices, and setting standards of accounting.

Personal Skills: These are one of the most basic factors, as far as the personality of the auditor and his/her behavior is concerned. These skills are improved giving auditors the chance to learn, perfect behaviours, and change attitudes. Interpersonal skills are said to be good when an auditor can manage himself, exercise initiative and influence, and can learn independently, be task-oriented and able to coordinate activities according to the available resources. In addition, they should demonstrate an outstanding ability to plan the work, inspire other employees, and foresee and embrace change effectively (Lazhari and Mohamed, 2022: 277).

Organisational and Business Management Skills: The skills are deep rooted because the auditor is now a member of the decision making team. They provide auditors with the ability to see everything about the working process, thus requiring them to assume a more significant role in the management of an organisation. They also stretch the horizons and expectations of auditors in the ever-changing business environment. These are the skills that are exemplified in the capability of the auditor to (Fatiha and Masouda, 2022: 6):

Undertake strategic planning and project management, people and resources management as well as making strong decisions.

- Plan work, motivate people, build their skills, and assign tasks to the team members in the appropriate manner.

- Lead the team and steer it towards goal accomplishment, have an insightful vision, and give good professional advice.

Risk Assessment and Fraud Detection Skills: Risk assessment and fraud detection is one of the most complex and sensitive work of auditors in their practice. Fraud is seen as purposeful behaviour that has the consequence of material misrepresentation of the audited financial statements. The factor that makes the difference

between fraud and typographical errors is intent: was an act business-like or unintentional? The auditors must ensure that they plan carefully and undertake the audit with the highest level of rigor in order to achieve reasonable assurance that such material misrepresentations are non-existent in the financial statements, regardless of whether such misrepresentations are due to inadvertent errors or fraud (Al-Ta'i and Jaber, 2022: 72).

Constant Training and Development Skills: Auditors learn through a myriad of sources, both official and unofficial. They acquire their education through universities and continuous-education programmes of various lengths, content and approaches. Moreover, practitioners also enjoy the advantages of accrued practical experience in the day to day activities as they receive feedback that sharpens judgement. This feedback is produced by other auditors and the environment. It is also remarkable that the volume and quality of this practice and feedback differ significantly, and both an experiential learning and constructive feedback are the important components of expertise of an auditor (Al-Ta'i and Jaber, 2022: 73).

Communication Skills: These skills involve the skills that allow the auditors to cooperate with the other staff in the best interest of the organisation. They also enable auditors to accept and transmit information, make sound judgments and make enlightened decisions (Lazhari and Mohammed, 2022: 277).

Part Three: The Practical Element.

First: Study Population and Sample:

In this study, the target population will include all professors and researchers of the financial, accounting, and administrative sciences in Iraqi universities, auditors working with professional organisations and audit firms in Iraq, and every individual and employee of departments in the public sector who has knowledge and experience of the financial, accounting, and administrative sciences.

Study Sample: Due to the large dimensions of the study population, the researcher developed an electronic questionnaire that included items and questions that were related to the research themes. The survey was spread to a random group of university professors, researchers and a sample of the employees who have significant knowledge and experience in the above mentioned fields. The reason is that the total respondents to the questionnaire were 39.

Second: Descriptive Data:

Using the electronic questionnaire designed to address the research question, the researcher was able to obtain the descriptive data that was reflective of the academic qualification, specialisation, and the years of service of the respondents. This type of data was analysed using the Statistical Package of the Social Sciences (SPSS) as shown in Table (1).

Percentage	Repetition	Details	
30.8 %	12	Bachelor's Degree	Academic qualification
2.6 %	1	Higher Diploma	
43.6 %	17	Master's Degree	
23.1 %	9	PhD	
71.8 %	28	Accounting	Scientific specialization
7.7 %	3	Finance and Banking	
15.4 %	6	Business Administration	
5.1 %	2	Other	
5.1 %	2	Under 5 years old	Number of years of service
10.3 %	4	5-10 years old	

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20.5 %	8	11-15 years old	
43.6 %	17	16-20 years old	
10.3 %	4	21-25 years old	
10.3 %	4	Over 25 years old	
100 %	30	Total Number of Individuals in the Research Sample	

Source: Prepared by the researcher using the SPSS statistical analysis program.

Third: Reliability and Validity of the Questionnaire
 The researcher engaged in a test of reliability of the questionnaire using Cronbach alpha coefficient. The resultant statistical analysis showed that the items relating to the first construct of International Auditing Standards had a higher level of internal consistency giving a coefficient of 0.828. Likewise, the items related to the second construct, Auditor Skills were rated with high coefficient of 0.916. In all the constructs analyzed, all the collective coefficients were found to be 0.934, which

highlights strong reliability. All this leads to the conclusion that the instrument has a high degree of reliability and, therefore, it is not only reliable but also applicable in the empirical studies of the field and practice. This is the result that is consistent with Nanley benchmark as it requires a minimum acceptable coefficient of reliability of 70 percent (Sharma, 2016: 273). Table 2 outlines the reliability and validity coefficients of the constructs of the study.

Table (2): Questionnaire Reliability and Validity Coefficients

Validity Coefficient = Square Root Of Reliability	Stability Coefficient	Number Of Paragraphs	Axis
0.909	0.828	10	Axis 1
0.957	0.916	10	Axis 2
0.966	0.934	20	Overall Stability Coefficient

Source: Prepared by the researcher based on the results of the SPSS statistical analysis program.

Fourth: Presentation and Interpretation of the Results of the First Axis

After collecting the responses of the study sample to the questions and items of the first axis (International Auditing Standards), the researcher conducted a statistical analysis of the items of the first axis (International Auditing Standards) using

the SPSS statistical analysis program. The analysis included calculating frequencies and percentages, in addition to calculating the arithmetic means and standard deviations for each item of the first axis, based on a five-point Likert scale. The results of this analysis are presented in Table (3) below.

Table (3): First Axis: International Auditing Standards

Level	standard deviation	arithmetic mean	I don't completely	disagree	neutral	agree	I completely agree	scale	Paragraph	Infiltration of the survey	Order by importance

I completely agree	0.537	4.36	0.00	0.00	1	23	15	Repetiti on	Applying International Auditing Standards enhances the auditor's ability to detect manipulation, fraud, and deception in financial statements.	1	2
			0.00	0.00	2.6	59	38.5	Percentage %			
I completely agree	0.486	4.36	0.00	0.00	0.00	25	14	Repeti tion	Applying international auditing standards enhances the quality of auditing and in turn contributes to raising the efficiency of the auditor in dealing with accounting fraud in financial reports.	2	1
			0.00	0.00	0.00	64.1	35.9	Percentage %			
agree	0.615	4.13	0.00	1	2	27	9	Rep etiti	Applying international auditing standards contributes to improving transparency and reliability and reducing errors in external audit processes.	3	7
			0.00	2.6	5.1	69.2	23.1	Percentage %			
agree	0.778	3.64	0.00	2	15	17	5	Repetit ion	Auditors suffer from a weak ability to effectively apply international auditing standards.	4	10
			0.00	5.1	38.5	43.6	12.8	Percen tage %			
agre e	0.707	4.03	0.00	1	6	23	9	Repe titio	There is complexity in	5	8

			0.00	2.6	15.4	59	23.1	Percentage %	applying international auditing standards, which requires ongoing training for auditors.		
I agree	0.695	3.87	0.00	1	9	23	6	Repetition	Interpreting International Auditing Standards is a complex issue in the context of financial institutions within Iraq, as these institutions face significant challenges in applying these standards in a manner appropriate to the local environment.	6	9
			0.00	2.6	23.1	59	15.4	Percentage %			
I completely agree	0.677	4.26	0.00	0.00	5	19	15	Repetition	International auditing standards contribute significantly to strengthening the professional independence of auditors, as they provide a structured framework that helps ensure integrity and transparency.	7	5
			0.00	0.00	12.8	48.7	38.5	Percentage %			
I completely	0.656	4.21	0.00	0.00	5	21	13	Repetition	International auditing standards play a major role in	8	6

			0.00	0.00	12.8	53.8	33.3	Percentage %	guiding auditors towards the application of contemporary auditing methods, which increases the auditor's ability to apply the standards in a manner that is appropriate to the requirements of the local environment.		
I completely agree	0.498	4.26	0.00	0.00	1	27	11	Repetition	Applying International Auditing Standards contributes to enhancing confidence in financial reports, thereby strengthening the auditor's role in ensuring the transparency, accuracy, and reliability of published reports.	9	4
			0.00	0.00	2.6	69.2	28.2	Percentage %			
I completely agree	0.584	4.36	0.00	0.00	2	21	16	Repetition	There is a necessary need to develop and apply international auditing standards in a way that is appropriate to the local specificities in some countries, such as Iraq, in order to achieve the best practical application.	10	3
			0.00	0.00	5.1	53.8	41	Percentage %			

I completely agree	0.486	4.36	0.00	0.5	4.6	22.6	11.3	Repetiti on	First Axis Result
			0.00	1.29	11.8	57.9	28.9	Percenta ge %	

Source: Prepared by the researcher based on the results of the SPSS statistical analysis program.

After studying and analyzing the results of the first axis (International Auditing Standards), Table (3) shows that item (2), which states, “The application of International Auditing Standards enhances the quality of auditing and, in turn, contributes to raising the efficiency of the auditor in addressing accounting fraud in financial reports,” ranked first among all items of the first axis with a mean of (4.36) and a standard deviation of (0.486). This indicates low data dispersion, and the degree of response to item (2) was “strongly agree” according to the estimated balance of the five-point Likert scale, which is highly statistically significant. This means that the study sample agrees that the application of these standards serves as the organizing framework that guides auditors towards following consistent and reliable professional methods in examining financial statements. The weak ability of auditors to apply International Standards on Auditing (ISA) in the

Paragraph 4 which records a mean of 3.64 with a standard deviation of 0.778 places this statement as the last one among the items in the first-axis. This finding demonstrates how difficult the application of ISA can be to auditors working on its practical implementation, which highlights a large performance gap in practice auditors.

Fifth: Presentation and Interpretation of the Results of the Second Axis

After collecting the responses of the study sample to the questions and paragraphs of the second axis (auditor skills), the researcher conducted a statistical analysis of the paragraphs of the second axis (auditor skills) using the Statistical Package for the Social Sciences (SPSS). The analysis included calculating frequencies and percentages, as well as calculating the means and standard deviations for each paragraph of the second axis, based on a five-point Likert scale. The results of this analysis are presented in Table (4) below.

Table (4): Second Axis: Auditor Skills

Level	standard deviation	arithmetic mean	I don't completely	disagree	neutral	agree	I completely agree	scale	Paragraph	Infiltration of the survey	Order by importance
I completely agree	0.468	4.31	0.00	0.00	0.00	27	12	Repetiti on	Applying international auditing standards helps improve auditors' skills in analyzing financial data and making accurate professional decisions.	1	1
			0.00	0.00	0.00	69.2	30.8	Percentage %			

I completely agree	0.627	4.23	0.00	0.00	4	22	13	Repetiti on	International auditing standards contribute to enhancing the technical and cognitive skills of auditors, thereby increasing their efficiency in carrying out audit procedures.	2	8
			0.00	0.00	10.3	56.4	33.3	Percentage %			
I completely agree	0.560	4.28	0.00	0.00	2	24	13	Repetiti on	International auditing standards help auditors improve their skills in making accurate decisions, which contributes to improving the quality of external audits.	3	4
			0.00	0.00	5.1	61.5	33.3	Percentage %			
I completely agree	0.583	4.23	0.00	0.00	3	24	12	Repetiti on	Applying international auditing standards increases auditors' skills in using modern techniques and advanced tools for financial data analysis and auditing.	4	6
			0.00	0.00	7.7	61.5	30.8	Percentage %			
agree	0.560	3.95	0.00	0.00	7	27	5	Repetiti on	The application of International Auditing Standards faces	5	10

			0.00	0.00	17.9	69.2	12.8	Percentage %	challenges as a result of differences in the standards followed in some countries, which affects the improvement of auditors' skills and hinders their ability to adapt effectively to local requirements.		
I completely agree	0.583	4.23	0.00	0.00	3	24	12	Repetition	Applying international auditing standards enhances the accuracy of audits and the quality of results provided by auditors, thus contributing to improved professional performance.	6	7
			0.00	0.00	7.7	61.5	30.8	Percentage %			
I completely agree	0.549	4.26	0.00	0.00	2	25	12	Repetition	International auditing standards contribute to enhancing auditors' skills in assessing the financial situations of institutions more accurately and professionally.	7	5
			0.00	0.00	5.1	64.1	30.8	Percentage %			
I completely agree	0.570	4.21	0.00	0.00	3	25	11	Repetition	Applying international auditing standards	8	9

			0.00	0.00	7.7	64.1	28.2	Percentage %	enhances the level of professional confidence among auditors by providing a clear reference framework that contributes to improving the quality of external auditing.		
I completely agree	0.605	4.28	0.00	0.00	3	22	14	Repetition	Applying international auditing standards contributes to enhancing transparency and integrity in auditing work by applying internationally agreed-upon tools.	9	2
			0.00	0.00	7.7	56.4	35.9	Percentage %			
I completely agree	0.605	4.28	0.00	0.00	3	22	14	Repetition	International auditing standards contribute significantly to developing the intellectual skills of auditors in dealing with diverse issues such as fraud, manipulation, and deception.	10	3
			0.00	0.00	7.7	56.4	35.9	Percentage %			
I completely agree	0.496	4.29	0.00	0.00	3	24.2	11.8	Repetition	Result of the second axis		
			0.00	0.00	7.6	62	30.2	Percentage %			

Source: Prepared by the researcher based on the results of the SPSS statistical analysis program.

After studying and analyzing the results of the second axis (auditor skills), Table (4) shows that

item (1), which states, “Applying International Auditing Standards helps improve auditors’ skills

in analyzing financial data and making accurate professional decisions,” ranked first among all items of the second axis with a mean of (4.31) and a standard deviation of (0.468). This indicates low data dispersion, and the degree of response to item (1) was “strongly agree” according to the estimated balance of the five-point Likert scale, which is highly statistically significant. This means that the study sample agrees that applying International Auditing Standards (ISA) has a positive impact on auditors’ skills, especially with regard to analyzing financial data and making accurate professional decisions. While paragraph (5), which states that “the application of International Auditing Standards faces challenges due to differences between the standards followed in some countries, which affects the improvement of auditors’ skills and hinders their ability to adapt effectively to local requirements,” ranked last

among all paragraphs of the second axis with a mean of (3.95) and a standard deviation of (0.560), this indicates that the study sample agrees that there are differences between the standards adopted in some countries and International Auditing Standards. Each country may have a set of local legislation and specific accounting practices that differ from international standards. Such differences create a lot of challenge in the uniformity to the application of International Auditing Standards, hence, hampering the ability of auditors to conform to standards that do not conform to the legal and economic climate in their country.

Sixth: Research Analysis of the Research Axes. To determine the association between the first and the second axes, the researcher used Pearson correlation coefficient as indicated in the table (5) below.

Table (5): Coefficients of Correlation between the first and the Second Axes.

Second axis	First axis		
0.804**	1	Correlation coefficient	First axis
0.000		Significance value	
39	39	Sample size	
1	0.804**	Correlation coefficient	Second axis
	0.000	Significance value	
39	39	Sample size	
** Correlation coefficient at a statistical significance level of 0.01			

Source: Prepared by the researcher using the SPSS statistical software.

The table above shows the Pearson correlation coefficient between the first axis (International Auditing Standards) and the second axis (Company Value), which is (0.804**) with a significance level of (0.000), less than (0.01). The ** symbol indicates statistical significance at the 0.01 level. From this result, we conclude that there is a strong positive relationship, according to the five-point Likert scale, between the first axis (International Auditing Standards) and the second axis (Auditor Skills).

Seventh: Testing the Research Hypothesis
The researcher used linear regression analysis to

determine the outcome of the null hypothesis and the alternative hypothesis, and which would be accepted and which would be rejected. There is no statistically significant effect of applying International Auditing Standards on improving auditor skills.

H0: There is no statistically significant effect at the 95% confidence level of applying International Auditing Standards on improving auditor skills.

H1: There is a statistically significant effect at the 95% confidence level of applying International Standards on Auditing on improving auditors' skills.

Table (6): Results of testing the main research hypothesis

Regression Coefficient	Correlation Coefficient	Standard Deviation	Arithmetic Mean	Axis
0.000 ^b	0.804 ^a	0.486	4.36	First Axis
		0.496	4.29	Second Axis

Source: Prepared by the researcher using the SPSS statistical software.

Table (6) shows the results of testing the main research hypothesis related to calculating the correlation coefficient and regression coefficient. It was found that the type of correlation is a strong positive correlation between the first axis (the role of International Auditing Standards) and the second axis (the auditor's skills), as the correlation coefficient reached (0.804^a), which is a statistically significant value at the confidence level of (0.05). This means that the application of International Auditing Standards has a significant impact on improving the auditor's skills. The results of the table above also showed the regression value (0.000^b) according to the ANOVA analysis, which is less than the value (0.05) determined by the researcher. As a result, the null hypothesis, which states (there is no statistically significant effect at the 95% confidence level of applying International Auditing Standards on improving the auditor's skills), was rejected, and the alternative hypothesis, which states (there is a statistically significant effect at the 95% confidence level of applying International Auditing Standards on improving the auditor's skills), was accepted. Thus, the linear regression equation becomes: $(Y = 0.714 + 0.821X)$.

Section Four: Conclusions and Recommendations

CONCLUSIONS

1. The results show that the positive association between adoption of International Auditing Standards (IAS) and magnification of auditors professional abilities is compelling; the standards directly enhance the growth of ability of auditors to perform accurate and dependable audits.
2. According to the study, there are few challenges which are faced by auditors when using IAS, the first is the difference in standards adopted in different jurisdictions and difficulty of balancing different auditing guidelines in an environment of dynamism in the legal and economic sphere.
3. IAS use leads to high quality of audit and sounder; strict compliance with these standards

results to increase the quality of the assessment and reduce the chances of mistakes that can affect financial reporting.

4. The information also shows that auditors with continuous training on IAS have an increased level of competence in the use of the standards and analysis of financial information.

RECOMMENDATIONS

1. Institutions and corporations of the public and private sectors must establish intensive training programmes that expose the auditors to the latest IAS and their usage in practice; university programmes should entail thorough coverage of the IAS as well.
2. The auditors should be empowered by the regulatory bodies and the enterprises that they serve with the tools and means of implementing the standards more efficiently like the sophisticated electronic systems and the specialized auditing software.
3. The periodic assessment systems that can measure the adherence to the international standards, and the ability of the auditors to apply them appropriately, considering the local differences in the environments in which they are operating must be formulated.
4. Policies must be formulated to enable clarification of how various standards are applied across national boundaries and this could be done through the standardisation of basic principles or the development of harmonised protocols that can be used to bridge international and local regulators.
5. The next wave of research is to promote the implementation of international auditing standards in a great variety of industries, and it is important to examine how they impact the general performance of companies and financial organizations.

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