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The Role of Audit Risks in Enhancing the Assurance of Integrated Reporting Reports in the Iraqi Environment - An Analytical Study

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Abstract:

The research aims to demonstrate the measurement of the impact of identifying audit risks in enhancing integrated reporting reports in the Iraqi environment, given the risks faced by auditors, represented by the increase in fraud cases and the absence of laws governing the auditing profession. The auditing profession derives its strength from providing confidence and assurances about financial and non-financial disclosures. The processes of "identifying risks" and analyzing their main components (implied risks, control risks, detection risks) are one of the basic tools of the auditing profession to provide an impartial opinion about the truthfulness and appropriateness of information. Previous studies have focused mainly on the relationship between audit risks and financial reporting disclosure, with some recent exceptions related to the relationship between "corporate social and environmental responsibility disclosure and audit risks". The research, in its conceptual aspect, addressed the concept and importance of audit risks and their relationship to raising the level of trust and credibility of business results, analyzing their basic components (implicit risks, control risks, detection risks) and the process of estimating them and their role in enhancing business results and integrated reporting. Integrated reporting reports were also addressed in terms of the concept and characteristics of confirming these reports. As for the practical aspect, a questionnaire was designed and distributed to 250 auditors within the research sample, 224 of which were retrieved. Data was collected on the relationship between the research variables. The research concluded that there is a clear correlation and influence between audit risks and integrated reporting reports. The research recommended expanding attention to audit risks and their components in terms of analysis and evaluation using modern methods for their clear role in the auditing process as a whole and enhancing integrated reporting reports. Keywords: Audit risks, implicit risks, control risks, detection risks, integrated reporting reports.

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Introduction

Audit risk is fundamental to the auditing profession, and a critical starting point for the auditor's work. Understanding the nature of these risks and evaluating them properly enables the auditor to make correct decisions that enhance the accuracy and effectiveness of the audit process and the credibility of the

business results. Identifying and assessing audit risks requires a comprehensive analysis of the factors influencing the components of these risks due to the developments and changes and a critical evaluation of the methods currently used to suit the new requirements in the work environment. Identifying and evaluating audit risks requires a comprehensive analysis of the factors influencing the components of these risks because of developments and changes and a critical evaluation of the methods currently used to suit the new requirements in the work environment. The concept of auditing is no longer limited to the financial domain alone; it has expanded to encompass all functions and activities of the economic unit, with a focus on social, environmental, and governance aspects as conditions for its continuity and survival. It also includes reporting on its impact on society and the surrounding environment. According to the study by Salih, J. I. (2020), the primary goal of identifying audit risks is to reduce uncertainty, provide appropriate opinions from auditors, ensure the efficient execution of audit work with the maximum use of effective tests, and enhance the confidence of current and potential users in business results. Audit risks are fundamentally linked to the judgments and perceptions of auditors. To form an appropriate opinion on business results, the audit must be planned and conducted to obtain reasonable assurance that the integrated reports are free from material misstatements. The audit plan and risk analysis should align with increasing confidence and assurance and include determining the materiality of transaction items and the credibility of results. This is to maximize the attention to audit risks to ensure they are properly identified and controlled as much as possible.

First: research methodology

Research problem: Auditors face significant challenges due to new work requirements, which have altered audit risks and made them more difficult to estimate and analyze. This necessitates an audit plan that aligns with social, environmental, and governance aspects. The research problem can be highlighted with the following question: Do the assessment and identification of audit risks and their key components have any effects on enhancing the assurance of integrated reporting?

Research objective: The research aims to

1. Recognizing the strategic and vital role of audit risks in line with contemporary developments and requirements for corporate sustainability in both the public and private sectors, the current study addresses the factors influencing the identification of audit risks. It also examines and measures the role of audit risks and their key components in enhancing the assurance of integrated reporting.
2. Increasing awareness: The dissemination of research results will raise awareness about the importance of assessing each component of the key audit risk elements to enhance efficiency and credibility in integrated reporting and provide valuable insights into this topic.

Research Importance

1. The research gains its importance by studying the relationship between the independent variable, audit risks, and its role in enhancing integrated reporting, which is the dependent variable. This involves implementing the audit risk process and assessing its components efficiently and effectively. The research also aims to provide a theoretical scientific contribution in a new research area by demonstrating the significance of the relationship and impact among the research variables.
2. The importance of activating the auditing profession in Iraq is highlighted, as the current study addresses the factors influencing the identification of audit risks in economic units of both the public and private sectors. It also focuses on developing the work of auditors to assess audit risks within the Iraqi environment.

Previous studies:

The study by Ali (2012) provided a scientific and professional perspective on the anticipated effects of implementing an integrated reporting approach for listed companies on the Egyptian Stock Exchange, focusing on the assurances provided by auditors. It concluded with several findings, the most important of which are the requirements and regulations for organizing reports in Egypt and the need for compliance in

preparing, publishing, and assuring integrated reports by auditing authorities. The study also found a positive impact on reducing information risks and thus improving the decision-making process.

The study by Burke & Clark (2016) indicated that ensuring integrated reporting has become a major topic of consideration. The study concluded that one of the main challenges facing the assurance of integrated reporting is the multiplicity and diversity of sources that can provide assurance services, as well as the lack of standardized criteria for performing such assurance.

The study by Dumitru and Guşe (2016) explores the role that accounting and auditing professionals can play in preparing and providing assurance models for corporate reports. It discussed the latest techniques for assuring integrated reports across their various sections (sustainability, social aspects, environmental aspects, and governance aspects). The study concluded that users demand information on the overall performance of the economic unit and confirmed that most companies receive assurance for a portion of the disclosed information, with the majority of assured reports being provided by auditing firms.

The study by Cohen and Simnett (2015) discussed that the challenge facing the assurance of integrated reporting is not limited to the lack of practical guidance for assurance involvement in integrated reporting preparation. However, the combination of integrated reporting and its assurance is still unknown in many corporate practices and scientific research.

The study by Simnett (2016) highlighted the ongoing demands from stakeholders for financial and non-financial information disclosed in reports submitted by companies. This necessitates developing skills and adapting financial and accounting professionals to the rapidly changing and evolving market. The study emphasized the need to improve and integrate systems and processes related to auditing with market requirements and stressed that accounting and auditing must evolve into a broader function to handle integrated business reports.

The study by Demartini and Trucco (2017) indicated that the disclosure theories applied in integrated reporting (IR) reveal social, human, and environmental aspects, which lead to reducing information inconsistency and thereby mitigating information risks. The study recommended that the relationship between integrated reporting and audit risks needs further investigation and emphasized the importance of identifying audit risks to improve reporting on social, economic, and environmental information.

Second:

1. Conceptual framework:

The Concept of Audit Risk: The 1983 Statement on Auditing and Materiality issued by the American Institute of Certified Public Accountants focused on audit risk and defined it as the risk that the auditor may unintentionally give an inappropriate opinion on financial statements that contain material errors (Ruhnke et al., 2018). The International Auditing and Assurance Standards Board (IAASB) defined audit risk in International Standard on Auditing (ISA) No. 200 (IFAC, 2015, ISA No. 200: par.13) as the risk of giving an inappropriate opinion when financial statements are materially misstated. It considers audit risk to be a function of inherent risk and detection risk. The International Organization of Supreme Audit Institutions (INTOSAI) defined audit risk as the risk that the auditor will issue an inappropriate opinion when there are material errors in the financial statements, noting that audit risk varies according to the differences in inherent risk and detection risk (INTOSAI, 2009). Al-Sabbagh (2016) indicated that audit risk is the risk that an auditor will issue an incorrect opinion when the financial statements contain material errors. Audit risk can be viewed from two different perspectives:

The first: risks resulting from incorrect rejection, when the financial statements are accurate, but the auditor rejects them without justification.

Second: Risks arising from incorrect acceptance of a client's financial statements by giving a clean report that these financial statements involve material misstatement.

Audit risk can be viewed from two main aspects: the first is the risk arising from the presence of material misstatements, as mentioned in the definitions from the organizations above, and the second is the risk of uncertainty (Al-Naimi, 2021).

The second concept is outside the scope of material misstatements and relates to uncertainty. Non-compliance with established accounting and auditing standards refers to the "acceptance of uncertainty by the auditor during the audit process. For example, the auditor recognizes uncertainty regarding the adequacy of evidence the effectiveness of internal controls in the economic unit, or the fairness of the financial statements being audited.

1.2 The relationship between audit risks in raising the level of confidence and ensuring the accuracy of the financial statements: Audit risks play an important role in enhancing the level of assurance and providing tangible evidence, which contributes to raising the level of confidence and providing realistic evidence, thus improving the quality of the audit and providing strong evidence that helps ensure the accuracy of the financial statements, through:

1.2.1 The relationship of audit risks to the relative importance of information items: The Financial Accounting Standards Board (FASB) viewed this relationship as an aspect of relevance, based on the nature or volume (or both) and items to which the information relates in the context of the financial reporting of the economic unit, and the FASB considered materiality to be an important aspect of reporting reports (FASB, 2010). Hendriksen believes that the similarity of materiality with the concept of appropriateness means determining what needs to be disclosed for general uses. Conversely, disaggregated data with a lot of detail is misleading and leads to inappropriate decision-making, as providing more information than appropriate may conceal appropriate elements. At the same time, very little information does not lead to good decisions, so relative importance is necessary to determine what to disclose. FASB noted that relative importance and suitability are the necessity of providing all information that the user can benefit from in making a decision or expectations. Relative importance is also considered a factor that affects the possibility of disclosing the item separately or merging it with similar items, given the possibility of merging items of a similar nature (based on relative value). (Al-Naimi, 2021).

1.2.2 Relationship of audit risk and credibility of results to economic units: The audit report represents the final product of the audit phases, which includes the auditor's professional opinion and serves as a means of reporting and communicating audit results to users of final accounts. Therefore, various decisions are often taken, the most important of which is investment, and positions are determined. Given the importance and seriousness of the auditor's opinion, it has various effects and serious consequences on multiple parties and aspects. This opinion may lead to indictment, investigation, and perhaps dismissal and trial of a particular employee, person, or official, which may have implications for the taxes owed by increase or decrease, may have implications for the financial position and may have implications for lenders. (2017 Gabr, M.S.).

2. Components of audit risk: There is broad consensus among professional bodies and organizations such as AICPA, IFAC, PCAOB, and INTOSAI about the components or types of audit risk. International Standard No. (47) issued by the American Institute of Certified Public Accountants explained that the elements of audit risk are implicit risks, control risks, and discovery risks (Bunjaku, F. (2019).

2.2 Essential risks: both implicit and control risks:

2.2.1 Implicit risks and influencing elements: It is one of the most important components of audit risk because it affects the efficiency and effectiveness of the audit process (Wong et al, 2018), and measures the auditor's estimate of the possibility of the existence of fundamental errors as a result of error or fraud, and exposes the account balance or categories of transactions to material errors in a specific part or item, regardless of the relevant internal control system (Politis, Y. (2018). Suppose the auditor concludes that there is a high probability of errors. This means there is a high level of implicit risk because it is considered separately from identifying control risks. Financial statement items vary in the level of risk they carry. Acquisitions of fixed assets, inventory, and cash payments have a high level of inherent risk, inversely with the risks of planned discovery and directly with the amount of evidentiary evidence. Krishnan, G., & Peytcheva, M. (2019). This type

of risk arises from the exposure of an assertion to material distortion, whether alone or when combined with distortions in certain items. Singh, N., et al. (2019) believe that the size and amount of financial operations affect the inherent risks, as the higher the value of financial operations and balances, the greater the implicit risks, and the complexity of the accounts also increases the implicit risks (Chen, at al. 2019). The auditor must consider management's approach, internal controls, risk assessment, and probability analysis of the occurrence of errors and manipulation of the financial statements and their impact on the audit. It is defined by (IFAC, 2015, ISA No. 200: Par13) and (AICPA: 2006:21) as "the presentation of an assertion about a class of transactions, account balance, or specific disclosure due to the presence of an error that may be material, either alone or when combined with other errors, i.e. Related control systems"

2.2.2 Control Risks and Influencing Factors: Control risks are associated with the likelihood of a material misstatement occurring in the recognition of a financial event, whether individually or when combined with other errors, and not being detected or corrected through internal controls. They depend on the efficiency and effectiveness of internal control procedures; the more effective the internal control structure, the lower the likelihood of errors (Alzeban, A., 2019).

International standards define control risks as "the risk that an error occurs in the process of confirming a class of transactions, an account balance, or a disclosure, which may be material, either alone or in combination with other errors, will not be prevented, discovered, or corrected in time." Collect it with the specified, by the internal control of the economic unit" (IFAC, 2015, ISA No. 200: Par. 13) (Schafer, 2019). It is noteworthy that international auditing standards refer to both inherent risk and control risk collectively as risks of material misstatements (MM), considering them as risks specific to the audited economic unit (IFAC, 2015, ISA No. 200). Control risk within a company can be considered an indicator of the effectiveness of the internal control and accounting systems within it. When the internal control system is strong and effective, the likelihood of detecting material errors and irregularities at the transaction and balance levels increases, thereby reducing control risks. Conversely, when the internal control system is weak, the likelihood of undetected errors and irregularities increases, thereby raising control risks. Therefore, control risks can be used as an indicator of the effectiveness of the internal control and accounting systems within the company. An auditor can accurately assess the internal control system, which helps to reduce control risks and enhance the effectiveness of the system (Al-Aid, 2013).

2.2.3 Planned discovery risks and influential elements: Discovery risk refers to the effectiveness of audit procedures and evidence in detecting errors. Arena (2012) defined it as the risk that audit evidence for a specific area within a company fails to detect misstatements that exceed the acceptable threshold. The International Federation of Accountants (IFAC) defined it in Standard 200 as the risk that the auditor fails to detect a material misstatement in the assurance engagement, whether it is material on its own or when combined with other misstatements (IFAC, 2008). The researcher views that the assurance that accompanies the audit process is one of the reasons for the existence of discovery risk. The auditor does not perform a detailed examination of all financial transactions but relies on sampling techniques, thus basing their conclusions on a sample that may not represent the entire population. Additionally, assurance risk is affected by using inappropriate audit procedures or incorrect interpretation of audit results. Discovery risk is influenced by the other components of the risk model, as changing one component of the risk model will increase or decrease discovery risk. Discovery risk relates to the nature, timing, and extent of audit tests planned by the auditor to reduce audit risk to an acceptable level, making it the only component controllable by the auditor. International standards IFAC IAS 200 define discovery risk as the set of procedures performed by the auditor to minimize audit risk to the lowest possible and acceptable level, ensuring that a material error that may be material on its own or when combined with other errors is not revealed (IFAC, 2015, IAS No. 200: par. 13). The level of discovery

risk is directly related to detailed procedures and tests, and the auditor's assessment of control risk and assurance affects the nature, timing, and extent of detailed tests conducted to reduce discovery risk. Discovery risk can arise from the auditor's failure to detect a material error due to the application of incorrect or even reasonable audit procedures that do not reveal the error, or due to the use of sampling techniques in the audit. Therefore, auditors must accurately assess risks and perform detailed audit procedures appropriately to minimize discovery risk. These procedures include reviewing documents and financial records, verifying their accuracy and completeness, conducting detailed tests of transactions and accounting systems, assessing internal controls, and analyzing potential risks (Al-Yasiri, 2017).

3. The concept of integrated reporting reports: The International Integrated Reporting Council (IIRC) defines integrated reporting as a concise communication that brings together material information about an organization's strategy, governance, and performance within the context of its external environment. This reporting reflects the economic, social, and environmental context in which organizations operate (IIRC, 2013). Integrated reporting is characterized by a comprehensive and strategic presentation of how value is created and sustained through considerations of multiple aspects such as sustainability, strategic performance, ethical behavior, and risk management. It is not just a single report encompassing financial and non-financial information but a holistic presentation demonstrating how value is created and preserved comprehensively and integratively. These reports aim to improve the quality of financial reporting and reduce the gap in accounting information in the global market (IIRC, 2013). Both the Institute of Internal Auditors (AII, 2015) and the International Federation of Accountants (IFAC, 2015) agree on this approach. According to studies by Fernando & Hermawan (2019) and Sonnerfeldt & Pontoppidan (2022), integrated reporting is a strategic presentation of value creation and a creative tool to illustrate how an organization's strategy aligns with its financial aspects. The increasing number of organizations and companies incorporating data on social, environmental, and sustainability aspects in their integrated annual reports underscores the importance and necessity of verifying the credibility, reliability, and dependability of the data presented in these reports. This verification process is referred to as Integrated Reports Assurance. The International Standard on Assurance Engagements 3000 (ISAE 3000), revised in 2015, defines assurance engagements as those where the auditor aims to obtain sufficient appropriate evidence and assurances to express a conclusion that enhances the confidence of users other than the responsible party regarding the subject matter of the assurance (IAASB, ISAE 3000 (Revised), 2015). The IIRC defines assurance as a process carried out by a competent and independent external practitioner to obtain appropriate and sufficient evidence and provide a written conclusion that enhances the degree of confidence that stakeholders can place in the integrated report of the organization (IIRC, 2014).

3.1 Characteristics of assurance engagements for integrated reporting reports

Assurance engagements are characterized by a set of attributes that distinguish them from other professional services. Some of the most important are:

1. Professionalism: Assurance engagements are professional services, which require the practitioner to exercise professional judgment accurately and responsibly. To ensure that professional judgment is exercised properly, the following conditions must be met:

- The practitioner possesses the necessary scientific and professional qualifications: The practitioner must obtain certificates and training courses that qualify him to practice the assurance profession efficiently.
- The practitioner's exercise of due professional care: The practitioner must make every effort to perform his work accurately and balanced.
- Planning and supervising the performance of assurance engagements: The practitioner must plan his work and supervise the workflow effectively.
- Collect sufficient and appropriate data: The practitioner must collect sufficient and reliable evidence that supports his opinions and establishes his conclusions.

2. Independence: Practitioner independence is a prerequisite for ensuring the impartiality and effectiveness of assurance engagements.
3. Meeting the needs of the decision maker: Assurance engagements aim to meet the needs of the decision maker by providing appropriate and reliable information that helps him make sound decisions. Assurance engagements are classified according to the International Assurance Standards IAASB, ISAE 3000 (Revised), 2015.

Third:

1. Analytical framework: The two researchers relied on the descriptive analytical approach by studying the analysis of the research sample data, testing the research hypotheses, and presenting the results based on a questionnaire designed for this purpose to demonstrate the correlation and impact between audit risks and their three components (implicit risks, control risks, discovery risks) and confirm integrated reporting reports. It was necessary to verify the validity of the following hypotheses:
    1. The first main hypothesis: There is no statistically significant relationship between identifying audit risks and enhancing the assurance of integrated reporting among members of the research sample. From this hypothesis there are the following hypotheses:

- There is no statistically significant relationship between assessing implicit risks and enhancing the assurance of integrated reporting.
- There is no statistically significant relationship between assessing control risks and enhancing the assurance of integrated reporting.
- There is no statistically significant relationship between identifying detection risks and enhancing the assurance of integrated reporting.

    2. The second main hypothesis: There is no statistically significant effect on identifying audit risks and enhancing the confirmation of integrated reporting reports among members of the research sample. From this hypothesis, the following hypotheses emerge:
        1. There is no statistically significant effect of implicit risk assessment in enhancing the assurance of integrated reporting reports.
        2. There is no statistically significant effect of control risk assessment in enhancing the assurance of integrated reporting reports.
        3. There is no statistically significant effect of identifying detection risks in enhancing the assurance of integrated reporting reports.

Descriptive analysis of the research sample: The sample included a group of auditors in the Iraqi Federal Financial Supervision Bureau, auditors affiliated with the Iraqi Society of Certified Public Accountants who are licensed to practice the profession, auditors affiliated with major auditing companies in Erbil, Baghdad, and Mosul governorates, and academics affiliated with Iraqi universities within the specialty of auditing and financial control. 250 questionnaires were distributed, and 224 questionnaires were retrieved and were analyzed. Table (1) presents a description of the sample members.

Table (1): Distribution of sample members according to academic achievement

Academic achievement	Frequency	ratio %
Bachelor	52	23.2
Higher Institute of Chartered Accountants	11	4.9
Higher Institute for Accounting and Financial Studies	68	30.4
Higher Diploma	7	3.1
Master	47	21.0
Ph.D.	39	17.4
Total	224	100%
years of experience	Frequency	ratio %
5 years and less	42	18.8

From 6 to 10 years	30	13.4
From 11 to 15 years	40	17.9
16 years and over	112	50.0
Total	224	100.0
Job	Frequency	ratio %
Assistant auditor	30	13.4
Auditor	109	48.7
Accounts organizer	53	23.7
Academic	32	14.3
Total	224	100

Source: Prepared by the two researchers according to the data of the sample studied

It is clear from Table (1) that the academic achievement of the majority of the respondents was those who held the Higher Institute for Accounting and Financial Studies, at a rate of more than 30%, and their number was 68, followed by bachelor's holders, at a rate of approximately 23%, and their number was 52. These percentages support the professional and academic cognitive awareness of the sample members. Regarding experience in auditing, half of the sample members (50%) had experience in the field of auditing equal to 16 years or more. These percentages support the objectivity of answers to the questionnaire statements given the academic and professional background. According to the job distribution of the sample members, the highest category was auditor, at 48.7%. This supports and gives a professional understanding of the questionnaire statements, thus enhancing the objectivity of the answers to those statements.

Second: Descriptive analysis of the questionnaire's items

Frequencies, percentages, relative importance index, as well as arithmetic averages, standard deviations, coefficient of variation, and direction of the research sample will be extracted for all questionnaire items.

1. Descriptive analysis of paragraphs for the dimensions of the audit risk variable: Frequencies and ratios were calculated, in addition to the arithmetic mean, standard deviation, coefficient of variation, and response rate for the dimensions of the variable (audit risk), as in the tables below:
   a. Analysis of implicit risk assessment paragraphs in the digital environment:

Table (2): Description and diagnosis of implicit risk assessment items in the digital environment

item	Response scale										Arithmetic Mean	Standard Deviation	Coefficient of variation%	Response rate %
	Strongly agree (5)		Agree (4)		Neutral (3)		Disagree (2)		Strongly disagree (1)					
	No.	%	No.	%	No.	%								
X2_1	47	21	148	66.1	26	11.6	3	1.3	0	0	4.067	0.614	15.1	81.3
X2_2	44	19.6	99	44.2	67	29.9	14	6.2	0	0	3.772	0.835	22.1	75.4
X2_3	61	27.2	116	51.8	26	11.6	19	8.5	2	0.9	3.96	0.9	22.7	79.2
X2_4	84	37.5	80	35.7	30	13.4	28	12.5	2	0.9	3.964	1.045	26.4	79.3
X2_5	70	31.2	112	50	28	12.5	14	6.2	0	0	4.062	0.829	20.4	81.3
X2_6	68	30.4	124	55.4	29	12.9	3	1.3	0	0	4.147	0.683	16.5	82.9
X2_7	100	44.6	96	42.9	21	9.4	7	3.1	0	0	4.29	0.764	17.8	85.8
DIM.	30.2%		49.4%		14.5%		5.6%		0.3%		4.037	0.810	20.1	80.8
	79.7%						5.8%							

Source: Prepared by the researcher based on SPSS V26.

It is noted from the results of Table (2) that the implicit risk assessment dimension is represented by items (X1_1 to X1_7) and a percentage of (79.7%) of the respondents agreed (strongly agree, agree) on the total of this dimension. The percentage of disagreement (disagree, strongly disagree) was (5.8%) and the percentage of neutrals was (15.5%). This is supported by the arithmetic mean (4.037), standard deviation (0.810), coefficient of variation (20.1%), and response intensity (80.8%). Paragraph (X1_7), which states ((The administration and the unit have a desire to make changes to avoid fundamental errors that occurred previously)) contributed to the highest agreement rate of (87.5%), with a mean (4.29), standard deviation (0.764), and response intensity (85.8%). The least contributions came from paragraph (X1_2), which states ((The administration has motives to issue distorted lists, cases of disappearance of records, difficulty in

tracking electronic evidence, and obsolescence of inventory in electronic industries, leading to fundamental errors) with a percentage approximately equal to (63.8%), with an arithmetic mean (3.772), a standard deviation (0.835), and a response intensity of (75.4%).

b. Analysis of the control risk assessment paragraphs for the audit:

Table (3): Description and diagnosis of control risk assessment paragraphs

item	Response scale										Arithmetic Mean	Standard Deviation	Coefficient of variation%	Response rate %
	Strongly agree (5)		Agree (4)		Neutral (3)		Disagree (2)		Strongly disagree (1)					
	No.	%	No.	%	No.	%								
X2_1	42	18.8	113	50.4	67	29.9	2	0.9	0	0	3.871	0.713	18.4	77.4
X2_2	55	24.6	96	42.9	68	30.4	5	2.2	0	0	3.897	0.794	20.4	77.9
X2_3	48	21.4	136	60.7	36	16.1	2	0.9	2	0.9	4.009	0.702	17.5	80.2
X2_4	52	23.2	108	48.2	59	26.3	5	2.2	0	0	3.924	0.763	19.4	78.5
X2_5	35	15.6	111	49.6	75	33.5	2	0.9	1	0.4	3.79	0.725	19.1	75.8
X2_6	48	21.4	116	51.8	30	13.4	30	13.4	0	0	3.812	0.923	24.2	76.3
X2_7	44	19.6	109	48.7	46	20.5	25	11.2	0	0	3.768	0.893	23.7	75.4
X2_8	40	17.9	111	49.6	67	29.9	6	2.7	0	0	3.826	0.746	19.5	76.5
X2_9	52	23.2	107	47.8	17	7.6	47	21	1	0.4	3.723	1.056	28.4	74.5
X2_10	61	27.2	98	43.8	34	15.2	29	12.9	2	0.9	3.835	1	26.1	76.7
X2_11	47	21	104	46.4	43	19.2	30	13.4	0	0	3.75	0.938	25.0	75.0
X2_12	52	23.2	108	48.2	38	17	25	11.2	1	0.4	3.826	0.928	24.3	76.5
DIM.	21.4%		49.0%		21.6%		7.7%		0.3%		3.836	0.848	22.2	76.7
	70.4%						8.0%							

Source: Prepared by the researcher based on SPSS V26.

It is noted from the table of results (3) that the control risk assessment dimension is represented by paragraphs (X2_1 to X2_12) and a percentage of (70.4%) of the respondents agreed (strongly agree, agree) on the total of this dimension. The percentage of disagreement (disagree, strongly disagree) was (8.0%) and the percentage of neutrals was (21.6%). This is supported by the arithmetic mean (3.836), standard deviation (0.848), coefficient of variation (22.2%), and response intensity (76.7%). Paragraph (X2_3), which states ((There are verification processes of the mechanisms followed by management to evaluate risks)) contributed to the highest agreement rate of (82.1%), with a mean (4.009), standard deviation (0.702), and response intensity (80.2%). The least contributions came from paragraph (X2_5), which states ((The risks of verifying that information systems support the preparation of financial reports to avoid losing the audit trail)) at a rate approximately equal to (65.2%), with an arithmetic mean (3.79), a standard deviation (0.725), and a response intensity (75.8%).

c. Analysis of discovery risk paragraphs:

Table (4): Description and diagnosis of detection risk items

item	Response scale										Arithmetic Mean	Standard Deviation	Coefficient of variation%	Response rate %
	Strongly agree (5)		Agree (4)		Neutral (3)		Disagree (2)		Strongly disagree (1)					
	No.	%	No.	%	No.	%								
X3_1	34	15.2	114	50.9	27	12.1	49	21.9	0	0	3.594	0.993	27.6	71.9
X3_2	57	25.4	91	40.6	62	27.7	14	6.2	0	0	3.853	0.873	22.7	77.1
X3_3	38	17	152	67.9	28	12.5	6	2.7	0	0	3.991	0.635	15.9	79.8
X3_4	91	40.6	99	44.2	32	14.3	2	0.9	0	0	4.246	0.726	17.1	84.9
DIM.	24.6%		50.9%		16.7%		7.9%		0.0%		3.921	0.807	20.8	78.4
	75.5%						7.9%							

Source: Prepared by the researcher based on SPSS V26.

It is noted from Table (4) that the dimension of discovery risks is represented by items (X3_1 to X3_4) and a percentage of (75.5%) of the respondents agreed (Strongly agree, agree) on the total of this dimension. The percentage of disagreement (disagree, strongly disagree) was (7.9%), and the percentage of neutrals

was (16.7%). This is supported by the arithmetic mean (3.921), standard deviation (0.807), coefficient of variation (20.8%), and response intensity (78.4%). Paragraph (X3_3), states ((The diversity and multiplicity of auditing standards and guidelines in the digital environment, which confuses the auditor)) contributed to the highest agreement rate of 84.9%, with a mean (3.991), standard deviation (0.635), and response intensity (79.8%). The least contributions came from paragraph (X3_2), which states ((There is a follow-up of the auditor's scientific and professional technical qualifications)) at a rate approximately equal to (66%), with an arithmetic mean (3.853), a standard deviation (0.873), and a response intensity of (77.1%).

2. Descriptive analysis of items for the dimensions of the variable (Enhancing Integrated Reporting): Frequencies and proportions were calculated in addition to the arithmetic mean, standard deviation, coefficient of variation, and response rate for the dimensions of the variable (Enhancing Integrated Reporting), as in the table below:

Table (5): Description and diagnosis of paragraphs promoting integrated reporting

item	Response scale										Arithmetic Mean	Standard Deviation	Coefficient of variation%	Response rate %
	Strongly agree (5)		Agree (4)		Neutral (3)		Disagree (2)		Strongly disagree (1)					
	No.	%	No.	%	No.	%								
Y1	120	53.6	66	29.5	35	15.6	3	1.3	0	0	4.353	0.79	18.1	87.1
Y2	121	54	69	30.8	29	12.9	5	2.2	0	0	4.366	0.792	18.1	87.3
Y3	120	53.6	92	41.1	9	4	3	1.3	0	0	4.469	0.642	14.4	89.4
Y4	83	37.1	109	48.7	29	12.9	3	1.3	0	0	4.214	0.714	16.9	84.3
Y5	67	29.9	123	54.9	32	14.3	2	0.9	0	0	4.138	0.679	16.4	82.8
Y6	69	30.8	115	51.3	38	17	2	0.9	0	0	4.121	0.708	17.2	82.4
Y7	78	34.8	108	48.2	31	13.8	7	3.1	0	0	4.147	0.77	18.6	82.9
Y8	75	33.5	116	51.8	30	13.4	3	1.3	0	0	4.174	0.703	16.8	83.5
Y9	86	38.4	109	48.7	27	12.1	2	0.9	0	0	4.246	0.694	16.4	84.9
Y10	71	31.7	101	45.1	42	18.8	10	4.5	0	0	4.04	0.827	20.5	80.8
Y11	71	31.7	121	54	18	8	13	5.8	1	0.4	4.107	0.813	19.8	82.1
Y12	63	28.1	122	54.5	34	15.2	5	2.2	0	0	4.085	0.719	17.6	81.7
Y13	62	27.7	127	56.7	33	14.7	0	0	2	0.9	4.103	0.704	17.2	82.1
Y14	83	37.1	109	48.7	29	12.9	3	1.3	0	0	4.214	0.714	16.9	84.3
Y15	76	33.9	120	53.6	23	10.3	4	1.8	1	0.4	4.188	0.722	17.2	83.8
Y16	102	45.5	97	43.3	19	8.5	5	2.2	1	0.4	4.312	0.758	17.6	86.3
DIM.	37.6%		47.6%		12.8%		1.9%		0.1%		4.205	0.734	17.5	84.1
	85.1%						2.1%							

Source: Prepared by the researcher based on SPSS V26.

It is noted from Table (5) the following: The goals and strategies dimension is represented by paragraphs (Y1 to Y16) and a percentage (85.1%) of the respondents agreed (strongly agree, agree) on the total of this dimension. The percentage of disagreement (disagree, strongly disagree) was (2.1%), and the percentage of neutrals was (12.8%). This is supported by the arithmetic mean (4.205), standard deviation (0.743), coefficient of variation (17.5%), and response intensity (84.1%). Paragraph (Y3), states (that assessing audit risks in the digital environment contributes to increasing the probability of discovering the fundamental deletion of information and preventing the dissemination of misleading information)) contributed to the highest percentage of agreement reaching (94.7%), with an arithmetic mean (4.469), a standard deviation (0.642), and a response intensity. (89.4%). The least contributions came from paragraph (Y10), which states ((Achieving consistency between financial reports and companies' operating requirements)) at a rate approximately equal to (76.8%), with an arithmetic mean (4.04), a standard deviation (0.827), and an intensity of response (80.8%).

The conformity of the study model with the data of the study sample members was verified by ensuring that the inference indicators obtained a good match. As well as ensuring that it complies with the required

standards, by relying on confirmatory factor analysis (CFA), and thus we can now test the study hypotheses that were mentioned in the study methodology, as follows:

First: Testing the first main hypothesis: H0.1: There is no statistically significant relationship between identifying audit risks and enhancing integrated reporting reports, and the following hypotheses emerge from this hypothesis:

H0.1.1.1: There is no statistically significant relationship between implicit risk assessment and promoting integrated reporting.

H0.1.2.2: There is no statistically significant relationship between assessing control risks and promoting integrated reporting.

H0.1.3.3: There is no statistically significant relationship between identifying discovery risks and promoting integrated reporting.

The first main hypothesis was confirmed, as shown in Figure (1), in addition to Table (5), which displays the correlation values, which indicate the rejection of the first main hypothesis.

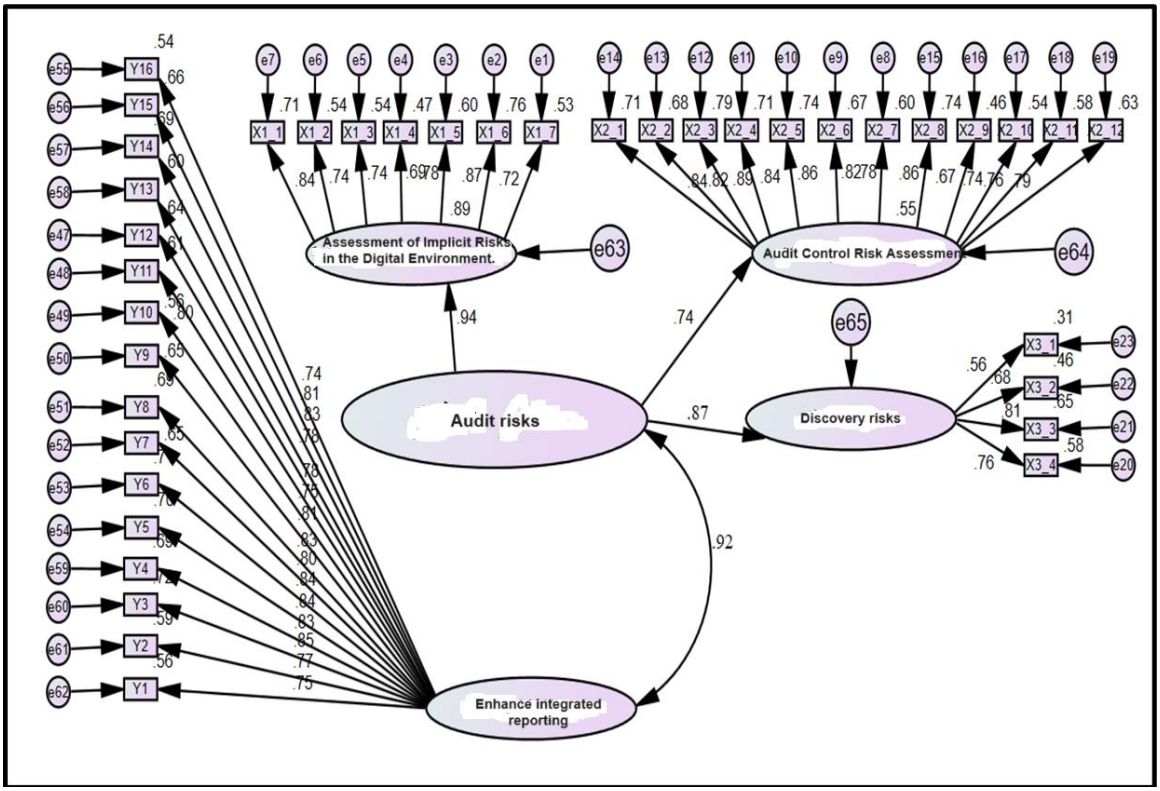

Figure (1): The relationship between audit risks and enhancing integrated reporting

Source: Prepared by the researcher based on the AMOS V23 program.

Table (6): Analysis of the Correlation Between Audit Risks and Enhancement of Integrated Reporting

Variables	Enhancing Integrated Reporting		
Audit Risk	Correlation Coefficient	P-Value	Significance
	0.915	0.000	significant

Source: Prepared by the researcher based on AMOS V23.

From Table (6), we observe that there is a correlation between audit risks and the enhancement of integrated reporting. The p-value associated with the correlation coefficient is less than the significance level of 0.05. Therefore, we reject the null hypothesis and accept the alternative hypothesis, meaning that:

"There is a statistically significant relationship between the identification of audit risks and enhancement of integrated reporting."

To verify the hypotheses derived from the first main hypothesis, a structural equation model was used to either confirm or refute these hypotheses. Figure (2) illustrates this situation, and Table (6) shows the correlation coefficients for the model.

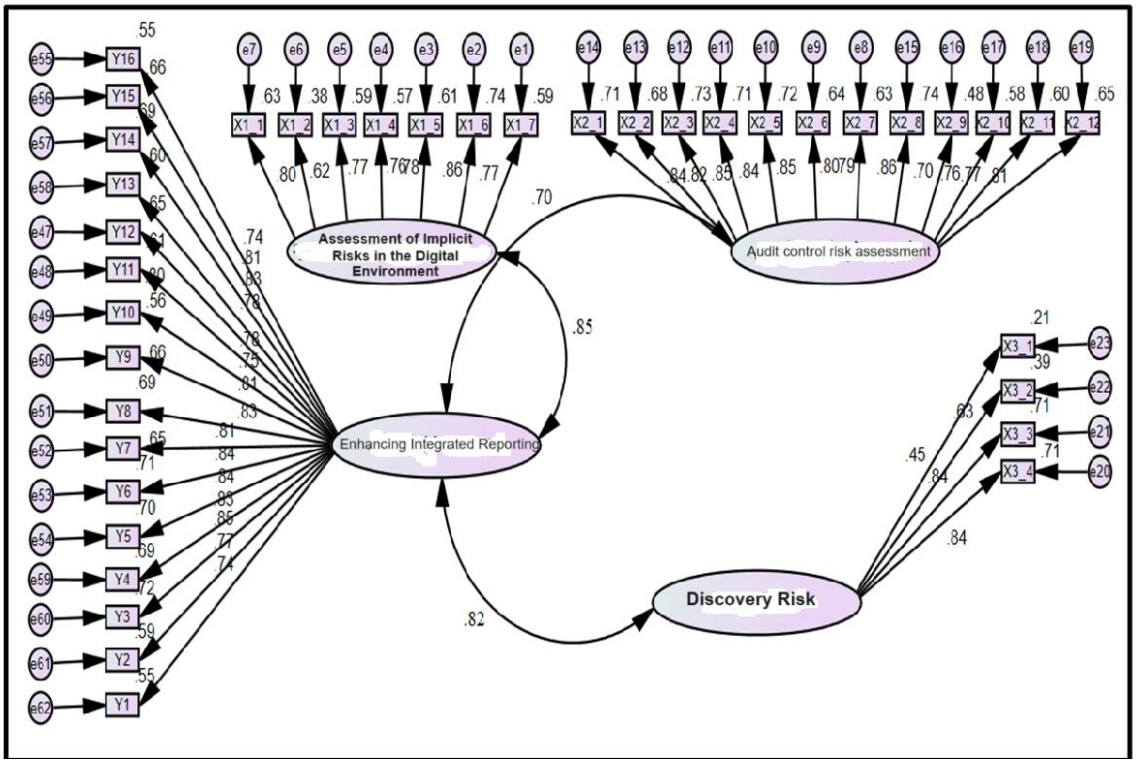

Figure (2): The Correlation Between Dimensions of Audit Risks and Enhancement of Integrated Reporting

Source: Prepared by the researcher based on the AMOS V23 program.

Table (7): Analysis of the Correlation Between Dimensions of Audit Risks and Enhancement of Integrated Reporting

Variables	Enhancing Integrated Reporting		
	Correlation coefficient	P-Value	Significance
Assessment of Implicit Risks	0.846	0.000	significant
Assessing Control Risk	0.701	0.000	significant
Identification of Discovery Risks	0.891	0.000	significant

Source: Prepared by the researcher based on the AMOS V23 program.

Table (7) indicates the significance of the relationship between each dimension of audit risks and the enhancement of integrated reporting.

Second: Testing the Second Main Hypothesis:

H0.4: There is no statistically significant effect of audit risks on the enhancement of integrated reporting. From this hypothesis, the following sub-hypotheses emerge:"

H0.4.11: There is no statistically significant effect of implicit risk assessment in enhancing integrated reporting.

H0.4.2.2: There is no statistically significant effect of control risk assessment in enhancing integrated reporting.

H0.4.3.3: There is no statistically significant effect of the identification of discovery risks on the enhancement of integrated reporting

To verify the second main hypothesis and validate its accuracy, we developed a structural equation model to either confirm or refute this hypothesis. Figure (3) illustrates this situation and Table (8) shows the regression analysis results for the model, which indicate the rejection of the second main hypothesis.

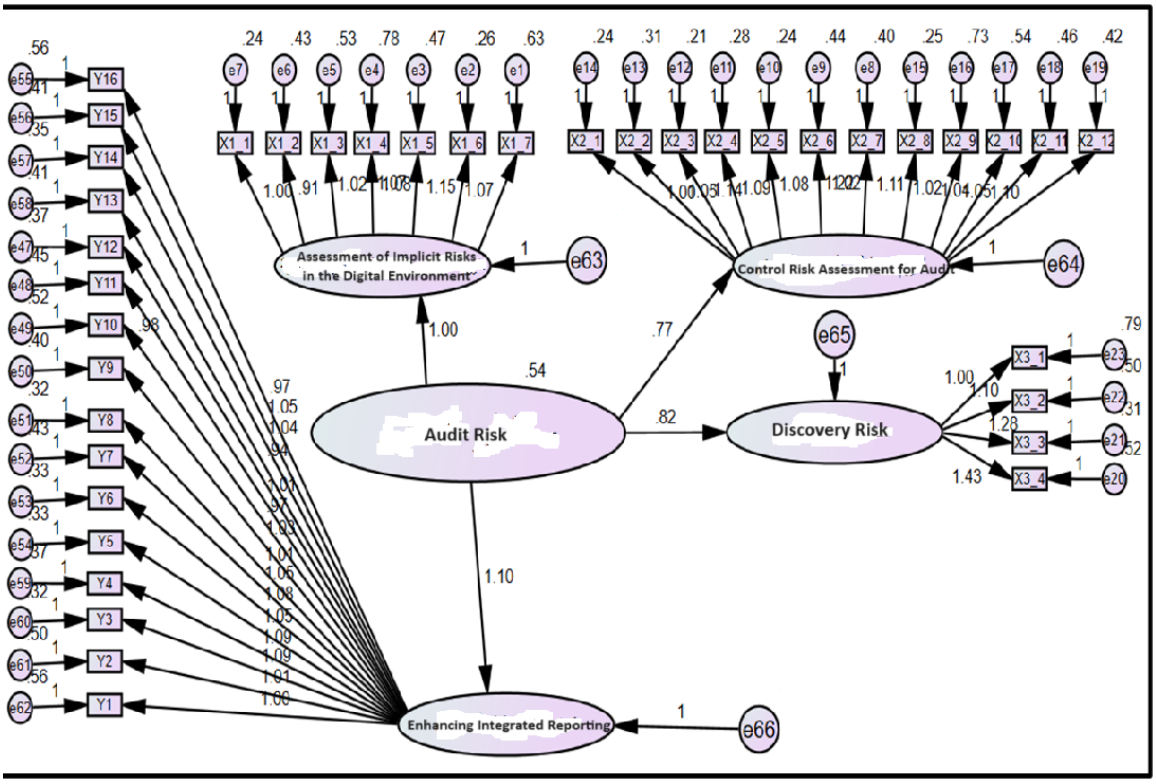

Figure (3): The impact of audit risks in enhancing integrated reporting

Source: Prepared by the researcher based on the AMOS V23 program.

Table (9): The impact of audit risks in enhancing integrated reporting

Independent variable	Dependent variable	Regression coefficient	P-Value	Significance
Audit Risks	Enhance Integrated Reporting	1.100	0.000	Significant

Source: Prepared by the researcher based on AMOS V23.

Table (9) indicates a significant impact of audit risks on the enhancement of integrated reporting. This is because the p-value associated with the regression coefficient is less than the significance level of 0.05. Therefore, we reject the null hypothesis and accept the alternative hypothesis, meaning that:

((There is a statistically significant effect of determining audit risks in enhancing integrated reporting reports))

Figure (4) shows the structural equation model for the sub-hypotheses derived from the second main hypothesis, while Table (9) presents the regression coefficients for the model

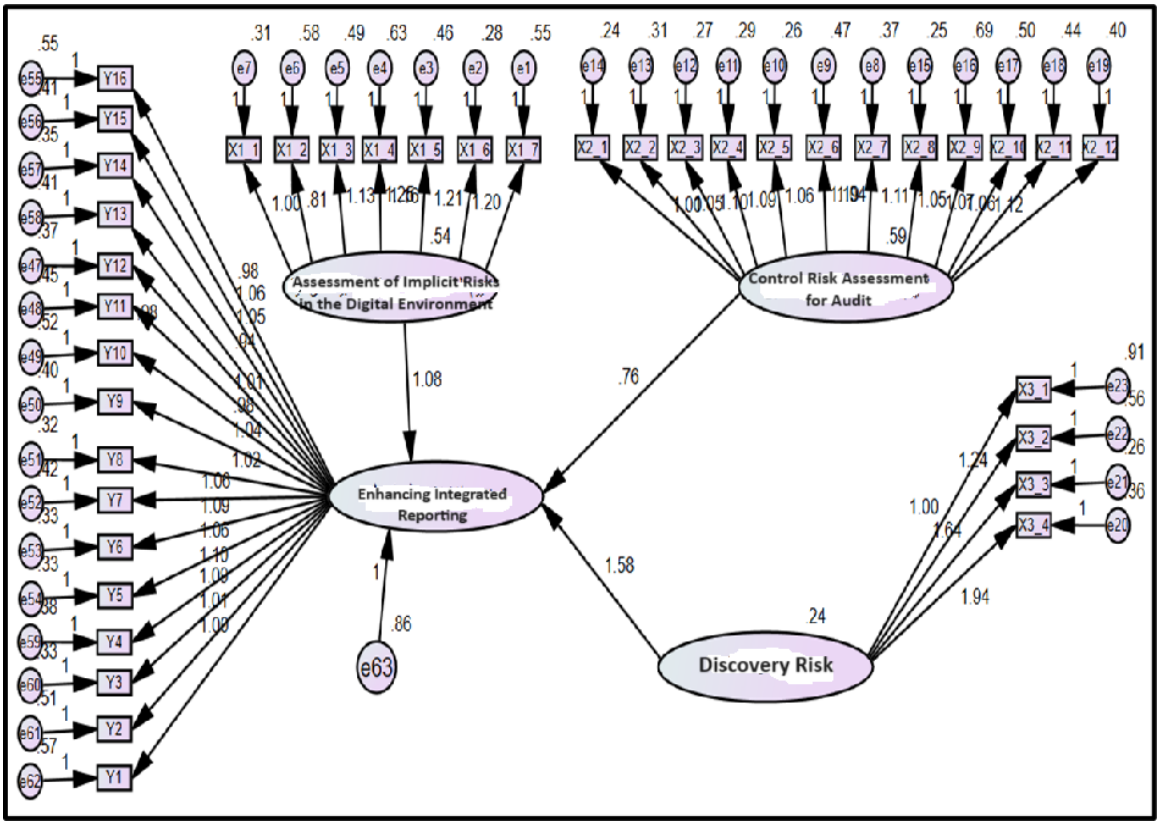

Figure (4): The impact of audit risk dimensions in enhancing integrated reporting

Source: Prepared by the researcher based on the AMOS V23 program.

Table (10): The impact of audit risk dimensions in enhancing integrated reporting

Independent variable	Dependent variable	Regression coefficient	P-Value	Significance
Assessment of Implicit Risks	Enhancement of Integrated Reporting	1.075	0.000	Significant
Assessment of Control Risks for Auditing		0.763	0.000	Significant
Identification of Discovery Risks		1.581	0.000	Significant

Source: Prepared by the researcher based on the AMOS V23 program.

As we note from Table (10) there is an effect for all of the assessment and identification of audit risk dimensions in enhancing integrated reporting, because the probability value accompanying the regression coefficient value is less than the significance level of 0.05.

Conclusions and recommendations:

1. By describing the role of identifying and assessing audit risks and its main components in enhancing the assurance of integrated reporting from the perspective of the study sample individuals, we observe that it has contributed to achieving positive outcomes. There is a correlation and regression effect between audit risks and the enhancement of integrated reporting assurance. This is attributed to their understanding of the role of assessing and analyzing audit risks, whether intrinsic risks or uncertainty and how it is closely related to the auditor's work. The significant advantages of audit risks include increasing the level of assurance and the credibility of business results.
2. There should be a study conducted by auditors on the nature of the company or unit under audit and an analysis of the accounts to estimate and assess the degree of risks that may be encountered. The auditor should also take control risks into account when planning the audit process.

3. The auditor needs high experience and efficiency to identify detection risks efficiently and effectively, and there is great interest in the importance of detection risks in assessing audit risks.
4. There is a clear correlation in the identification and assessment of audit risks (implicit risks, control risks, discovery risks) in enhancing the assurance of integrated reporting

Recommendations

1. The research recommends increasing awareness about the importance of identifying and assessing audit risks as a key tool in the success of the auditing process.
2. Economic units should train and qualify auditors on professional practices, including understanding regulatory aspects and key risks, to keep up with the requirements for corporate and unit sustainability.

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